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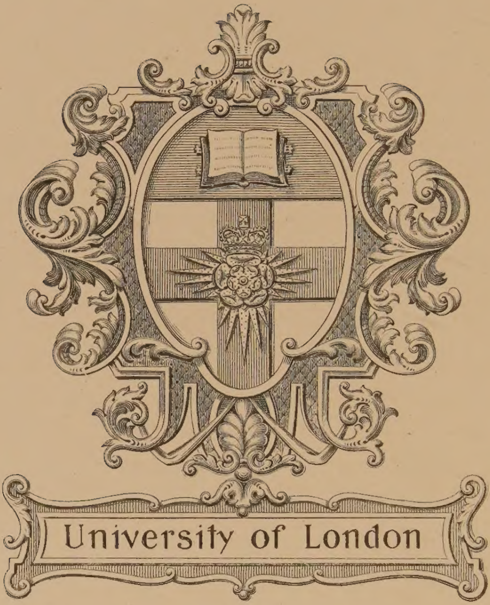
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PARLIAMENTARY DEBATES

Official Report

FIFTH SERIES—VOLUME 275

SECOND SESSION OF THE THIRTY-SIXTH PARLIAMENT
OF THE
UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND.

23 GEORGE V.

HOUSE OF COMMONS

FOURTH VOLUME OF SESSION, 1932-33

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Revised, 27th February, 1933.

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PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE

SECOND SESSION OF THE *THIRTY-SIXTH PARLIAMENT* OF THE
UNITED KINGDOM OF *GREAT BRITAIN* AND *NORTHERN IRELAND*.
TWENTY-THIRD YEAR OF THE REIGN OF
HIS MAJESTY KING GEORGE V.

FIFTH SERIES—VOLUME 275

FOURTH VOLUME OF SESSION 1932–33

HOUSE OF COMMONS.

Monday, 27*th February*, 1933.

The House met at a Quarter before Three of the Clock, MR. SPEAKER *in the Chair*.

ORAL ANSWERS TO QUESTIONS.

INDIA.

RAILWAY ORDERS.

1. **Sir WILLIAM DAVISON** asked the Secretary of State for India whether he is aware that tenders have been invited by the Indian state railways for 62 boilers and fittings and 62 sets of cylinders; and whether any steps are being taken by the British Government to secure the placing of these orders in this country, in view of the unemployment which at present exists in the locomotive industry?

The UNDER-SECRETARY of STATE for INDIA (Mr. Butler): The orders referred to by my hon. Friend are being placed by the Indian authorities. As regards the second part of the question I would refer to the reply given on 30th November to my hon. Friend the Member for West Bromwich (Mr. A. Ramsay) and the other statements that have been made in this House regarding the practice in the matter of placing contracts for Indian railway stores.

Sir W. DAVISON: Seeing that the capital upon which these railways were built was provided by Great Britain, does not the hon. Member consider it desirable that representations should be made in order that equipment and repairs should also come to this country?

Sir NAIRNE STEWART SANDEMAN: Would it not be cheaper to subsidise the companies who are making these engines instead of paying the dole?

RAILWAY BOARD (INDIAN MEMBERS).

8. **Mr. T. WILLIAMS** asked the Secretary of State for India whether the Government of India will consider the advisability of appointing an Indian to the position of secretary to the railway board in India; and what is the present number of Indian members of the board?

Mr. BUTLER: The appointment of Secretary to the Railway Board is a matter within the discretion of the Government of India. Of the three members of the Railway Board one is at present an Indian.

Mr. WILLIAMS: Does not the hon. Member think it is worth while making representations to the Government of India on this subject?

Mr. BUTLER: In the original answer I have said that this matter is within their discretion.

RAIYA RIOT CASE.

9. **Mr. T. WILLIAMS** asked the Secretary of State for India what action the Government of India proposes to take with regard to the strictures passed by the High Court upon the administration of justice in the lower courts in which the Raiya communal riot case was heard?

Mr. BUTLER: I have no information as to any instructions which the Government of the United Provinces may have issued or propose to issue in consequence of the judgment in this case.

Mr. WILLIAMS: Will the hon. Member make inquiries in order to make himself acquainted, so that he can express an opinion later on?

Mr. BUTLER: Our only information on this subject, hitherto, has been from the Press, but I can assure the hon. Member that any official notice of this matter will receive our earnest consideration.

MILITARY ACADEMY (NOMINATIONS).

2. **Mr. HICKS** (*for* **Mr. RHYS DAVIES**) asked the Secretary of State for India whether any nominations have been made during the past year by the commander-in-chief of non-commissioned Indian soldiers for admission to the Indian military academy; and what proportion of the nominations came under the head of martial and non-martial communities, respectively?

Mr. BUTLER: Yes, Sir, I understand the number was 15. I have no details of the communities from which these cadets were drawn.

COMMUNAL REPRESENTATION.

3. **Mr. DAVID GRENFELL** (*for* **Dr. JOHN WILLIAMS**) asked the Secretary of State for India whether the Government of India have yet reached a decision, and, if so, what is its nature, with reference to the question of communal representation in the provincial and all-India services?

Mr. BUTLER: One-third of the vacancies in the all-India and central services which are filled by Indians are reserved for members of the minority communities. No modification of these arrangements is contemplated. It is for the various Provincial Governments to decide to what extent and in what manner representation of the minority communities shall be secured in the provincial services. If the hon. Member has in mind any possible alteration of the position after constitutional changes have been effected, I would ask him to await the forthcoming White Paper.

ALWAR.

4. **Mr. D. GRENFELL** (*for* **Dr. J. WILLIAMS**) asked the Secretary of State for India whether the services of any member of the Indian Civil Service have been requisitioned for use in the State of Alwar for revenue purposes; and, if so, what will be the nature of his duties?

Mr. BUTLER: An Indian Civil Service officer, who is a member of the Indian Political Department, is being lent to the Alwar Darbar to hold the appointment of Prime Minister and Revenue Minister. He will exercise control over all Departments within the State, and questions from all Departments which require to be referred to His Highness will be referred through the Prime Minister.

11. **Mr. T. WILLIAMS** (*for* **Major MILNER**) asked the Secretary of State for India what is the number of persons who have been arrested in British India in connection with the Alwar Meo movement; and what procedure has been followed in connection with their trial?

Mr. BUTLER: The reports received by me contain no mention of arrests made in British India in this connection. Any persons that may have been arrested there would be tried by the ordinary courts.

COMMODITY PRICES.

5. **Mr. D. GRENFELL** asked the Secretary of State for India whether the Government of India will consider the advisability, in connection with the forthcoming Budget, of taking steps with a view to securing a rise in the level of prices of Indian commodities?

Mr. BUTLER: While the Government of India would greatly welcome a rise in the level of the world price of Indian commodities, I am not aware of the measures in connection with the Budget that the hon. Member may have in mind for achieving this end.

RESERVE BANK.

6. **Mr. D. GRENFELL** asked the Secretary of State for India whether it is the intention of the Government of India to introduce the Reserve Bank Bill into the legislative assembly during the ensuing session; and, if so, whether Indian opinion will be consulted before the Bill is introduced?

Mr. BUTLER: I am not in a position to state when the Bill for setting up a Reserve Bank in India will be introduced into the Indian Legislature though, as the hon. Member will have realised from the references to the subject on pages 37-38 and 143 of the Round Table Conference Blue Book Cmd. 4238, the Government are anxious to bring a Reserve Bank into operation as early as practicable. From the passages to which I have referred, the hon. Member will see that my right hon. Friend has undertaken

> "that representative Indian opinion would be consulted in the preparation of proposals for the establishment of the Reserve Bank."

BANGALORE STATION.

7. **Mr. HICKS** (*for* **Mr. RHYS DAVIES**) asked the Secretary of State for India whether the Mysore durbar's case for retrocession of the Bangalore civil and military station has been considered by His Majesty's Government and by the Government of India; whether any decision has been arrived at on the matter; and when an announcement on the matter may be expected?

Mr. BUTLER: The question has not up to the present come before His Majesty's Government for consideration, and I am not in a position to make any further statement on the subject.

PROVINCIAL LEGISLATIVE COUNCILS.

10. **Mr. T. WILLIAMS** (*for* **Major MILNER**) asked the Secretary of State for India which of the provincial legislative councils in India have come to a decision with reference to the desirability or otherwise of a second chamber as part of their constitutional machinery; and what is the nature of the decision in each case?

Mr. BUTLER: Resolutions in favour of a provincial upper chamber have been passed by the legislatures in the United Provinces and Bihar and Orissa; resolutions against by the legislatures in Madras, Bengal, Punjab, Central Provinces, Assam and North-West Frontier Province.

BERAR.

12. **Mr. T. WILLIAMS** (*for* **Major MILNER**) asked the Secretary of State for India what steps the Government of India propose to take to give effect to their assurance that the wishes of the people of Berar will be taken into consideration before any decision is taken with regard to the constitutional future of Berar?

Mr. BUTLER: I am not in a position to add anything to the reply given on the 13th February to the question of the hon. Member for West Walthamstow (Mr. McEntee), in which my right hon. Friend stated the purport of the assurance given.

BURMA.

13. **Mr. TINKER** (*for* **Mr. PARKINSON**) asked the Secretary of State for India whether he is aware that the legislative council of Burma passed a resolution in favour of suspending the annual migration of the Government of Burma to Maymyo, as a measure of economy; and whether the Government of India are prepared to meet the views of the legislative council?

Mr. BUTLER: This is a matter for the Government of Burma, as to whose intentions I have, as my right hon. Friend stated last week, no information.

ALL-INDIA MEDICAL COUNCIL BILL.

14. **Mr. TINKER** (*for* **Mr. PARKINSON**) asked the Secretary of State for India whether the Government of India will consider the advisability of delaying the introduction of the All-India Medical Council Bill until such time as the Federal Legislature has been constituted?

Mr. BUTLER: The Bill has already been introduced.

TRADE AND COMMERCE.

RUSSIA.

15. **Sir W. DAVISON** asked the Secretary of State for Foreign Affairs whether he will assure the House that no binding trading agreement will be entered into by the British Government with the

[Sir W. Davison.]
Russian Soviet Government until this House has had an opportunity of seeing a draft of any proposed agreement and has expressed its approval?

The SECRETARY of STATE for FOREIGN AFFAIRS (Sir John Simon): It would not be in accordance with constitutional practice for any such agreement to be submitted to the House in draft for consideration prior to signature. Any agreement, however, which is subject to ratification will be laid before the House prior to ratification in the usual manner.

Sir W. DAVISON: In view of the desirability of the House being seized of what is in contemplation, will the right hon. Gentleman consider the publication of a White Paper setting out the matters proposed to be dealt with in such agreements, so that the House can discuss the matter?

Sir J. SIMON: That is the same question in a different form, and, as I have said, it would not be in accordance with constitutional practice to submit to the House in draft an agreement before it is signed.

DUTCH MILK PRODUCTS (IMPORTS).

23. **Sir PERCY HURD** asked the Secretary to the Overseas Trade Department if he has any information as to whether any assistance, direct or indirect, and, if so, what, is given to the exportation of Dutch milk products to the British market by the Government or otherwise?

The SECRETARY for MINES (Mr. Ernest Brown): I have been asked to reply. Under the Dairy Farmers Relief Act passed by the Netherlands Government in 1932, a surcharge is levied on all butter, cheese and whole-milk products and also on margarine and cooking fats consumed in the Netherlands. The surcharges are fixed from time to time according to market conditions by a special body set up under the Act. The sums derived from the surcharges are used to subsidise producers' milk prices. I understand that for convenience in administration the surcharge on butter is levied on all creamery butter whether sold for home consumption or for export, but a drawback equal to the surcharge is subsequently allowed on all exports of butter.

Sir P. HURD: The net effect is that substantial assistance is given to exports to this country?

Mr. BROWN: I do not understand that that is the case. I understand that the payments do not have the effect of a subsidy in the sense of allowing products to be sold below the world market price. The position is that the internal price is kept at an artificial high level, and in order that those who export are not penalised they are given the difference between the world price of exports and the home price.

JUTE WRAPPERS (MEAT IMPORTS).

24. **Miss HORSBRUGH** asked the Secretary to the Overseas Trade Department what percentage of meat imported into this country from the Argentine during 1931 and 1932 was in jute wrappers manufactured in the United Kingdom?

Mr. E. BROWN: I regret that the information desired is not available.

Miss HORSBRUGH: Will the hon. Member ascertain whether this information can be obtained in order that this trade may be dealt with on the same lines as the Danish bacon trade?

Mr. BROWN: One of the difficulties is that the Customs do not record the quantities or origin of coverings used for meat.

BRITISH INDUSTRIES FAIR.

25. **Mr. BARCLAY-HARVEY** asked the Secretary to the Overseas Trade Department if, in view of the fact that notices advertising the British Industries Fair were this year exhibited in English in foreign countries, he will arrange that in future they appear in the language of the country in which they are exhibited?

Mr. E. BROWN: Every effort has been made to avoid the complaint to which my hon. Friend refers. Such Press advertisements as were used abroad were, except possibly in the Journals of overseas British Chambers of Commerce, printed in the language of the country concerned. The same applies to posters and other printed matter which were issued in ten languages as in previous years. If the hon. Member has any specific case in mind I shall be obliged if he will bring it to my notice.

BED COVERINGS (IMPORTS).

38. **Mr. CROSS** asked the President of the Board of Trade the quantities and values of cotton blankets, quilts, counterpanes, and other bed coverings imported into this country in each quarter of the year 1932?

The PARLIAMENTARY SECRETARY to the BOARD of TRADE (Dr. Burgin): Imports of these goods are recorded by value only. The declared value of the total imports into the United Kingdom of quilts, counterpanes and other bed coverings of cotton, including cotton blankets, registered during the first, second, third and fourth quarters of 1932 amounted to £4,122, £8,956, £26,708, and £37,582, respectively.

CHINA AND JAPAN.

16, **Mr. DONNER** asked the Secretary of State for Foreign Affairs whether he is in a position to make a statement with regard to the situation in Manchukuo, and particularly with regard to the military position in Jehol?

Sir J. SIMON: As regards the military situation in Jehol, my information is that Kailu was occupied on the 24th of February by Japanese and Manchukuo troops who continued to advance in a south-westerly direction. About 12,000 Chinese troops are stated by the Japanese authorities to have surrendered on the 21st of February, in the above district. The town of Peipiao was occupied on the 21st of February.

20. **Mr. COCKS** asked the Secretary of State for Foreign Affairs whether, in view of the fact that in February, 1932, the British Ambassador at Tokio was officially informed that the Japanese Government was no more likely to recognise the State of Manchukuo than any other Government and that subsequent British policy was influenced by this declaration, and seeing that in spite of this the Japanese Government proceeded to recognise Manchukuo, any protest has been made by the British Government against this conduct and action?

Sir J. SIMON: I do not know in what way it can be said that the policy of His Majesty's Government has been influenced by the statement to which the hon. Member refers. The attitude of His Majesty's Government in the matter has been made plain in the policy which they have pursued at Geneva. Apart from that, their feelings and those of other members of the League were expressed by the President of the Council when he stated his regret that the Japanese Government should have recognised the so-called State of Manchukuo before the report of the Lytton Commission had been discussed or even published.

Mr. COCKS: Does the right hon. Gentleman recollect that, in an answer in this House last year, he said that, in consequence of that assurance, he did not propose to make any protest against the establishment of this new State?

Sir J. SIMON: I should like to check that. The hon. Member is usually accurate, and it may be so.

21. **Mr. COCKS** asked the Secretary of State for Foreign Affairs whether relations between Great Britain and Japan are still based on the obligations of full and frank communication, specified in Article 7 of the Washington Treaty of 1922, and upon the informal agreement announced in the House of Commons on 28th November, 1928, that close contact between the two Governments should be developed by constant consultation between their respective Ministers at Pekin; whether His Majesty's Government has been constantly consulted by Japan during the last 18 months respecting Japanese action in Manchuria, Shanghai and Jehol; and, if not, what action His Majesty's Government proposes to take regarding this apparent breach by Japan of both the Washington Treaty and the informal Anglo-Japanese agreement of 1928?

Sir J. SIMON: The obligations of the Washington Treaty naturally remain in force. It is not proposed to take any special action as suggested in the last part of the question.

SOUTH AMERICAN STATES (DISPUTES).

17. **Mr. MANDER** asked the Secretary of State for Foreign Affairs the present position with regard to the disputes between Bolivia and Paraguay, and Peru and Colombia?

Sir J. SIMON: It is difficult within the scope of an oral reply to give the hon. Member full details as to the present position in these two disputes. Briefly, the facts are as follow: In the case of the dispute between Bolivia and Paraguay, fighting in the Chaco territory, the sovereignty over which has been in doubt for many years, broke out in June last. Efforts have been made by the Conference of Neutrals at Washington, by the neighbouring Powers, and by the League of Nations to effect a settlement. Unfortunately no success has attended these efforts so far, but fresh proposals are now, it is understood, under consideration between the Governments of the neighbouring countries.

As regards the case of Peru and Colombia, Leticia and Tarapaca, places in the territory ceded to Colombia by the 1922 treaty between those two countries, were occupied by Peruvian civilians from the Department of Loreto in September last. Tarapaca was retaken by a Colombian naval expedition on the 15th of February. No serious hostilities appear to have occurred since then, though diplomatic relations between the two countries have been broken off. The Colombian Government have referred the whole question to the League of Nations under the terms of Article XV, and the Council of the League has requested a small committee to endeavour, in collaboration with the representatives of the two parties, to effect a settlement by conciliation in accordance with paragraph 3 of the above-mentioned Article.

Mr. MANDER: Will the right hon. Gentleman be prepared to deal with the question of the export of arms to these countries in the Debate to-day?

Sir J. SIMON: I rather understand that the Debate to-day is confined to the Far East, but I will bear the suggestion in mind.

HUNGARY (MILITARY AEROPLANES).

18. **Mr. MANDER** asked the Secretary of State for Foreign Affairs if he will make a statement regarding the negotiations with the French Government concerning the 32 military aeroplanes recently flown to Hungary from Italy and there taken to pieces and hidden?

Sir J. SIMON: I have nothing to add to the reply which I gave to my hon. Friend's question on this subject on Thursday last.

Mr. MANDER: Do I understand that no communications have been received from the French Government on this matter?

Sir J. SIMON: No. In reply to an inquiry by the French Ambassador I have informed His Excellency that, in view of the denials issued by the Hungarian and Italian Governments, and the absence of any conclusive evidence, His Majesty's Government do not propose to proceed with the matter further.

FOREIGN EMBASSIES (DIPLOMATIC IMMUNITY).

19. **Mr. COCKS** asked the Secretary of State for Foreign Affairs what is the practice regarding the diplomatic immunity accorded to members of foreign embassies and legations; and what persons are covered by this immunity?

Sir J. SIMON: It is not possible within the limits of a reply to a Parliamentary question to state the law and practice with regard to diplomatic immunity. The answer would necessarily extend to the length of a legal treatise. I can only suggest that the hon. Member should consult one of the numerous legal works on the subject.

AGRICULTURE.

MILK REORGANISATION COMMISSION.

26. **Sir P. HURD** asked the Minister of Agriculture whether the Government propose to adopt the recommendations of the Milk Reorganisation Commission; what legislation will be required; and whether that legislation will be enacted before August when negotiations between producers and distributors must take place?

The MINISTER of AGRICULTURE (Major Elliot): This report is of far-reaching importance and before pronouncing on the proposals, I am anxious that time should be given for expression of opinion by those whom they closely concern. I am therefore not yet in a position to make any statement in regard to fresh legislation. I take this opportunity of expressing the hope that producers in particular will press on with the examination of the scheme under the Agricultural Marketing Act, which the Commission prepared for their consideration.

Sir P. HURD: Is there any prospect of these matters being brought to an issue before negotiations are begun for next autumn prices?

Major ELLIOT: Yes. I hope so.

Mr. HERBERT WILLIAMS: Will the Minister of Agriculture assure me that he does not propose to interfere with the twice daily delivery of my milk?

Butter Blending (Prosecution).

27. **Mr. LAMBERT** asked the Minister of Agriculture if his attention has been called to the police proceedings at Ealing on the 17th February, where a company was convicted of selling a blend of Australian and Russian butter as Devon Vale blend; and whether, in the interests of the Home producer and consumer, he will initiate legislation whereby such frauds may be detected with more facility?

Major ELLIOT: I have seen a report of the proceedings referred to by my right hon. Friend. As regards the last part of his question, I would remind him that the powers already possessed by local authorities are sufficient to enable effective steps to be taken under the Merchandise Marks Acts to check such misdescriptions as to country of origin.

Mr. LAMBERT: Does my right hon. Friend not think that there are many frauds of this description, and will he not at any rate keep alive the Act relating to foreign imports?

Major ELLIOT: Surely my right hon. Friend has overlooked the fact that in this case proceedings were not only brought but a conviction was secured. That seems to me to meet the case.

Mr. T. WILLIAMS: Does the Minister think it fair continually to interfere with private enterprise?

POST OFFICE.

Contributory Pensions.

29. **Mr. HICKS** asked the Postmaster-General what instructions are given to men retired at 60, who have been compulsorily insured for widows' and orphans' pension, as to the action they should take to safeguard their families in the event of their death prior to reaching the age of 65; and whether arrangements will be made to provide for deduction from the pension of 3½d. a week to cover pensions for widows and orphans?

The POSTMASTER-GENERAL (Sir Kingsley Wood): A copy of a memorandum issued by the Ministry of Health for the information of persons who cease to be engaged in excepted employment is given to Post Office servants in the circumstances stated by the hon. Member. This memorandum includes instructions regarding the maintenance of insurance rights after retirement, but it is not practicable to make deductions from pensions for the purpose of voluntary insurance contributions.

Mr. HICKS: Do I understand that the period of pension is covered by the memorandum?

Sir K. WOOD: I will supply the hon. Gentleman with a copy of the memorandum and discuss it with him if necessary.

Pension Payments, Prescot.

30. **Mr. ROBINSON** asked the Postmaster-General whether he can state the total amount of moneys paid out from Post Offices in Prescot, Lancashire, in the year ended 31st December, 1932, in respect of war pensions, contributory widows', orphans', and old age pensions, non-contributory old age pensions, and other payments under his control, including blind pensions?

Sir K. WOOD: The amount paid in respect of Army, Navy and Air Force pensions and allowances was £11,310 and in respect of old age, widows' and orphans' pensions (including blind pensions) £22,340.

Stamp-Cancelling Machines.

28. **Sir W. DAVISON** (*for* **Mr. HANNON**) asked the Postmaster-General whether he is aware that the machines now being used by the Post Office for the stamping of the words "Buy British" over postage stamps are foreign-made machines stamped with the words "Made in U.S.A."; and if it is impossible to secure machines of British origin to carry out this work?

Sir K. WOOD: No foreign-made stamp-cancelling machines have been bought by the Post Office since March, 1931, when British-made machines became available. A number of old foreign-made machines are still in use, but these are kept in running order by the replacement of worn or faulty parts with British-made components.

Mr. CHARLES WILLIAMS: Why, in March, 1931, particularly? Has there been some change?

Sir K. WOOD: When British-made machines became available.

Mr. WILLIAMS: But it was not this Government's fault that they were not available before?

HOUSING (RURAL WORKERS) ACT.

34. **Sir P. HURD** asked the Minister of Health what steps he is taking to encourage a larger use of the Housing (Rural Workers) Act of 1926, to provide houses for rural workers at rents they can pay?

The PARLIAMENTARY SECRETARY to the MINISTRY of HEALTH (Mr. Shakespeare): Every opportunity is taken in correspondence and interviews with appropriate local authorities to bring the advantages of this Act to their notice. My right hon. Friend is considering what further general action may be practicable.

Sir P. HURD: Does the Ministry not think that the time has come when a conference of the leading county councils and other housing authorities should be summoned in order to help forward the use of this Act?

Mr. SHAKESPEARE: I will convey that suggestion to my right hon. Friend.

Mr. BOOTHBY: In any action that may be taken will it apply to Scotland as well as to England?

Mr. SHAKESPEARE: That is a question for another Department.

LOCAL AUTHORITIES (EXPENDITURE).

35. **Mr. H. WILLIAMS** asked the Minister of Health on what basis it has been estimated that the total local expenditure from all sources will show a reduction of as much as £20,000,000, as compared with the figure for the year 1929-30?

Mr. SHAKESPEARE: The estimate to which my hon. Friend refers was that total local expenditure showed a reduction of £20 millions over the figure for the year 1929-30. This figure was, as my right hon. Friend was advised, the approximate reduction in local expenditure on the figure of 1929-30 which the Ray Committee estimated would be secured as a result of the economy measures taken in the autumn of 1931.

Mr. WILLIAMS: Is it not the case that the estimate of the Ray report related to a reduction below the figures for a subsequent year, and that as a matter of fact these economies merely bring the expenditure back to that of 1929-30 and not to £20,000,000 below that sum?

Mr. SHAKESPEARE: I require notice of that question.

Mr. WILLIAMS: The question has been asked. May I not press for an answer?

UNEMPLOYMENT.

TRANSITIONAL PAYMENTS.

42. **Mr. H. WILLIAMS** asked the Chancellor of the Exchequer what additional sum he will need to provide in order to continue transitional payments to unemployed persons for the period 1st July, 1933, to 31st March, 1934, on the basis of the existing law being extended for that period?

The FINANCIAL SECRETARY to the TREASURY (Mr. Hore-Belisha): My hon. Friend will, I think, agree that his question is hypothetical at the present time. My right hon. Friend will be in a better position to estimate the cost for the remainder of the year of those services for which provision has so far only been made in Estimates up to 30th June when he presents the Budget. On present indications, the cost appears likely to be in the region of from £20,000,000 to £25,000,000.

DISTRIBUTIVE TRADES.

36. **Mr. DICKIE** asked the Minister of Labour what is the present number of insured people engaged in the distributive

trades, together with the figures for January, 1930, 1931, and 1932; the percentage of unemployment in the industry; and the number of unemployed people upon each of these dates?

The MINISTER of LABOUR (Sir Henry Betterton): As the reply includes a table of figures I will, if I may, circulate a statement in the OFFICIAL REPORT.

Following is the statement:

STATISTICS giving the estimated numbers of insured persons in particular industries are available only in respect of July in each year. The following table gives the information desired, so far as it is available.

Distributive Trades—Great Britain.

Year.	Estimated numbers at July.	Percentages of insured persons unemployed towards the end of January (calculated on the numbers insured at the previous July).	Numbers of insured persons recorded as unemployed towards the end of January.
1929 ...	1,646,070	—	—
1930 ...	1,729,720	7·7	127,124
1931 ...	1,836,680	11·9	205,961
1932 ...	1,913,080	13·5	247,865
1933 ...	(not yet available).	13·3	253,618

UNINSURED CLASSES.

44. **Mr. BRACKEN** asked the Prime Minister whether, in view of the increase in unemployment in the classes designated black-coat workers, who are not advantaged by any State unemployment legislation, the Government will take immediate action to alleviate the hardships of those classes?

The PRIME MINISTER (Mr. Ramsay MacDonald): My hon. Friend will be aware that the Royal Commission on Unemployment Insurance made certain recommendations for raising the limit of remuneration below which unemployment insurance legislation applies, and these recommendations are at present under consideration. But it would not be possible to provide for separate or preferential treatment in regard to relief from public funds. The best relief that can be given to this class of unemployed is a revival of general trade.

Mr. BRACKEN: Have the Government any policy to relieve the hardships of these people?

Mr. MAXTON: Is the revival of trade likely to come in the near future?

Mr. BRACKEN: In view of the unsatisfactory and defeatist answers I have received from the Prime Minister, I beg to give notice that I shall raise this question on the Adjournment.

WORK SCHEMES.

45. **Mr. MANDER** asked the Prime Minister if he will make arrangements whereby Members may receive the assistance of expert officials in order to make effective preparation of their plans for relieving unemployment?

The PRIME MINISTER: Hon. Members may rest assured that every scheme which offers any hope of good results will be considered in detail and the help of Departmental experts enlisted by the Departments, but officials cannot possibly be employed on the conditions suggested by my hon. Friend.

Mr. MANDER: Would it not be possible for hon. Members to have an opportunity of discussing with experts the proposals they have to bring forward?

The PRIME MINISTER: Certainly, but not the experts who are officials of the Department and Government servants.

Mr. MANDER: Surely, if the Government are really serious in the matter they might consider placing at the disposal of Members facilities for discussing their plans with experts?

WEST HAM.

37. **Mr. LAWSON** (*for* **Mr. THORNE**) asked the Minister of Labour the number of unemployed persons registered at the Employment Exchanges in the borough

[Mr. Lawson.]
of West Ham at the end of January, 1932, and for the corresponding date in 1933, or the nearest available date?

Sir H. BETTERTON: At 25th January, 1932, there were 21,748 unemployed persons on the registers of the Canning Town and Stratford Employment Exchanges, and 21,825 at 23rd January, 1933.

INCOME TAX (CO-OPERATIVE SOCIETIES).

41. **Sir W. DAVISON** asked the Chancellor of the Exchequer whether he can now say when the report relating to the taxation of co-operative societies will be published, and under what circumstances a deputation from the co-operative societies was received by him pending the publication of the report?

Mr. HORE-BELISHA: Arrangements have been made to present the report as a White Paper, and it will be in the Vote Office this evening. Before submitting the report to the Cabinet for consideration, my right hon. Friend desired to ascertain the views of the co-operative societies on certain points, some of them of a technical character, arising out of the report, and accordingly he invited their representatives to come and see him last Thursday for this purpose.

Sir W. DAVISON: Will my hon. Friend say whether there is any precedent for a report of a committee of this kind being secretly communicated, before submission to this House and the public, to one of the interested parties; and is he aware that the "Daily Herald" had an article on Friday last stating that they had seen the report and that it was not satisfactory to the co-operative societies?

Mr. HORE-BELISHA: I should say that there were a great many precedents. The committee was appointed to advise the Government, and it was within the discretion of the Government as to what counsels they should seek before making their plans.

Sir BASIL PETO: Why was this opportunity of a conference held out to the co-operative societies while the representatives of private industry were denied any opportunity of stating their views?

Mr. T. WILLIAMS: Was there any real reason why this White Paper should not have been published before the Rotherham by-election?

AVIATION (MUNICIPAL AERODROMES).

46. **Mr. MACLAY** asked the Prime Minister whether, as a contribution to the relief of unemployment and in view of the growth of civil aviation, he will encourage local authorities of all large towns to clear and level suitable ground for future aerodromes; and whether, in view of possible aerial warfare in the southern and eastern areas of England, he will encourage large-scale excavations for bomb-proof shelters, subsidising local authorities to the extent of the difference between the dole and a fair wage for unemployed men so engaged?

Mr. SHAKESPEARE: I have been asked to reply. The policy of the Government in dealing with applications from local authorities for the approval of loans for public works is that approval is given if the works are remunerative or if a good case can be shown for proceeding with them at once. An application for a loan for the acquisition of land or for work in connection with an aerodrome would not be refused if it complied with either of these conditions. In some cases sanctions have recently been given for the acquisition of land and for works in connection with aerodromes. The provision of bomb-proof shelters is not a function of local authorities in the ordinary course, and in any event it does not appear that approval of loans for this purpose would be warranted at the present time.

NAVAL AND MILITARY PENSIONS AND GRANTS.

22. **Mr. HARCOURT JOHNSTONE** asked the Minister of Pensions whether it is the practice to make fresh medical examinations, on behalf of his Department, of men whose claims to disability pensions have been finally disallowed in cases where fresh evidence has been brought forward by independent medical men?

The MINISTER OF PENSIONS (Major Tryon): Where fresh evidence of fact is produced which indicates that the decision was given on an incomplete knowledge of the material facts, such action is taken as may be required, including further medical examination, if this is found to be necessary to determine the specific point at issue, namely the origin of the condition complained of.

Mr. JOHNSTONE: Is the right hon. Gentleman aware that there are cases in which constant representations have been made to his Department about the increasingly bad health of the individuals concerned, whose pensions have been finally refused and where no fresh medical examination has been made for as long as 10 years?

Major TRYON: It is, of course, true that there may be cases in which a man's health has undoubtedly grown worse, but that is clearly not the responsibility of this Ministry, if an independent tribunal has decided that the man's illness is not due to war service.

Mr. JOHNSTONE: But if it was decided 10 years ago——

Major TRYON: The decision of the tribunal is final.

LOCAL GOVERNMENT AREAS (STREATHAM).

40. **Mr. LAWSON** (*for* **Mr. THORNE**) asked the Secretary of State for the Home Department if he is aware that the Parliamentary Division of Streatham, in the Borough of Wandsworth, with a population of 68,467, is only one ward for municipal elections; that in the event of a by-election to fill one vacancy on the borough council the whole parliamentary election machinery has to be put into operation; and whether, in view of the cost incurred, he will take steps to divide the ward into four and increase the number of councillors?

The SECRETARY of STATE for the HOME DEPARTMENT (Sir John Gilmour): An increase in the number of wards may lessen the cost of elections to fill casual vacancies, but it increases the cost of the triennial general elections, and in any case there are other considerations to be taken into account in deciding into how many wards a borough should be divided. I have no information that there is any desire in the Borough of Wandsworth for an alteration of the wards.

LAPSED INSURANCE POLICIES.

43. **Mr. HICKS** (*for* **Mr. RHYS DAVIES**) asked the Financial Secretary to the Treasury whether his attention has been drawn to the case of insurance policy-holders whose policies have lapsed, as they have recently fallen into arrears owing to the economic depression after many years regular payment; and if he will consider amending the law in favour of such policy-holders?

Mr. HORE-BELISHA: I would refer the hon. Member to the answer given to the hon. Baronet the Member for Newcastle-upon-Tyne, East (Sir R. Aske) on 20th December last.

Mr. T. WILLIAMS: Is the hon. Gentleman aware that insurance agents are now on strike in the town of Greenock, because of the attitude of an insurance company in lapsing the policies of poor policy-holders?

Mr. HORE-BELISHA: I have referred the hon. Member who put down the question to a previous answer which, I think, fully covers the point.

Mr. WILLIAMS: In view of the fact that insurance workers are on strike as a protest against the attitude of the insurance company, what action, if any, are the Treasury likely to take to help these poor policy-holders?

Mr. HORE-BELISHA: My hon. Friend is aware that the whole matter is at present the subject of an inquiry.

QUESTIONS TO MINISTERS.

Sir FRANCIS FREMANTLE: On a point of Order. I wish to ask, Mr. Speaker, whether you have considered the fact that, out of 46 questions on the Paper to-day, no less than 20 have been put down by Members who are not present to ask them and that of those 20 questions 17 are in the names of Members of the Opposition, seven being in the names of Front Bench Members; also that this is a growing habit especially among Members on the Opposition side?

Mr. T. WILLIAMS: On that point of Order, may I ask, Mr. Speaker, whether you are aware that in the North of England and various parts of Wales, the weather is totally different from what it is here; and, further, that if the trains,

[Mr. Williams.]
which are privately-owned and run, were running on time, hon. Members would not be late in their attendance at the House?

Mr. SPEAKER: I have often known of hon. Members who had questions on the Paper being absent on a Monday.

DONCASTER AREA DRAINAGE BILL.

Reported, with Amendments, from the Joint Committee, with Minutes of Evidence.

Report to lie upon the Table, and to be printed.

Bill, as amended, re-committed to a Committee of the Whole House for Monday next, and to be printed. [Bill 61.]

SELECTION (STANDING COMMITTEES).

SCOTTISH STANDING COMMITTEE.

Mr. William Nicholson reported from the Committee of Selection; That they had discharged the following Member from the Standing Committee on Scottish Bills (added in respect of the Housing (Financial Provisions) (Scotland) Bill): Lieut.-Commander Agnew; and had appointed in substitution: Colonel Crookshank.

Report to lie upon the Table.

WRITTEN ANSWERS.

POST OFFICE.

AIR MAILS.

Lord APSLEY asked the Postmaster-General whether his attention has been called to the new airgram which has been introduced by the Siamese Government, with the object of providing an air-mail letter weighing less than a quarter-ounce which can be carried for low rates, is free from the disadvantages of air-mail postcards, and eliminates the need for anything beyond a visual check in the Post Office; and whether, with a view to stimulating air-mail traffic on British Empire air routes, he will consider introducing a similar facility for the British public?

Sir K. WOOD: I would refer my Noble Friend to the answer given to the hon. Member for Southampton (Mr. Craven-Ellis) on 12th December last.

RESEARCH STATION (CINEMA APPARATUS CONTRACT).

Mr. MORGAN JONES asked the Postmaster-General whether any conditions have been attached to the contract recently given to an American company for the supply of cinema apparatus to the Post Office Research Station, Dollis Hill, stipulating that British labour and material shall be used?

Sir K. WOOD: I am having inquiry made into the question asked by the hon. Member, and will furnish a reply in due course.

TELEGRAPH POLES (CANADIAN SUPPLY).

Captain P. MACDONALD asked the Postmaster-General whether it will be possible to obtain an increased supply of Post Office telegraph poles from Canada in the near future in consequence of the recent fall in the value of the Canadian dollar?

Sir K. WOOD: Orders for the 1933 requirements of telegraph poles have already been placed; and the question of placing orders for Canadian poles is therefore not affected by present fluctuations in the dollar rate. Timber of approved species has not yet been offered to the Post Office from any Canadian source: and though I am in touch with the Canadian authorities as to the supply of samples of other species for test, considerable experience would be required before any conclusion can be drawn as to the "life" of these species in the conditions which prevail in the United Kingdom.

KENYA (INDIAN POLICE OFFICERS).

Mr. T. GRIFFITHS asked the Secretary of State for the Colonies whether the Kenya Government have given any reply to protests by white settlers against the appointment of Indian police officers to the control of stations in white settled areas; and, if so, what is the nature of such reply?

Sir P. CUNLIFFE-LISTER: I am not aware that any such protests have been made. The second part of the question does not, therefore, arise.

AUSTRALIA (TARIFFS).

Mr. HAMMERSLEY asked the Secretary of State for Dominion Affairs if he has yet received a reply to his representations to the Australian Government in respect of the prohibition by Australia of the importation of felt-hat hoods?

Mr. THOMAS: I understand that the report of the Tariff Board, which has not yet been published, is under consideration by His Majesty's Government in the Commonwealth of Australia with a view to submission to the Commonwealth Parliament when it meets next month.

UNEMPLOYMENT.

TRANSITIONAL PAYMENTS.

Mr. REA asked the Financial Secretary to the Treasury what was the amount included in the Estimates for 1932-33 in respect of the grant to the Unemployment Fund for transitional payments and certain other services for the period from 30th June, 1932, to the end of the financial year, provision for which grant and services for the period 30th June, 1933, to 31st March, 1934, is not included in the Estimate now presented to Parliament; and what would be the cost of such provisions on the basis of the figure of unemployment remaining at its present level?

Sir H. BETTERTON: The answer to the first part of the question is, about £21,000,000. As regards the second part, I would refer the hon. Member to the reply given to-day by the Financial Secretary to the Treasury to the hon. Member for Croydon South (Mr. H. Williams).

BARMEN AND BARMAIDS.

Sir H. CROFT asked the Minister of Labour the number of barmen and barmaids who have lost their employment during the past calendar year?

Sir H. BETTERTON: I regret that separate statistics of unemployment among barmen and barmaids are not available.

AGRICULTURE.

HOP PICKERS.

Sir H. CROFT asked the Minister of Labour the number of persons employed in hop picking in 1914, 1930 and 1932?

Sir H. BETTERTON: I regret that statistics giving the information desired are not available.

BARLEY (ACREAGE).

Sir A. KNOX asked the Minister of Agriculture what was the acreage under barley in 1914, 1930 and 1932, respectively?

Major ELLIOT: The area under barley in England and Wales in 1914, 1930 and 1932, was 1,504,771 acres, 1,020,225 acres and 960,542 acres respectively.

PIG INDUSTRY.

Captain P. MACDONALD asked the Minister of Agriculture what further progress has been made in connection with the co-ordination of the schemes recently put forward by the representatives of the bacon manufacturers and the pig producers?

Major ELLIOT: I assume that my hon. and gallant Friend refers to the various incidental matters of common interest to farmers and curers that call for negotiation between them. These questions have been under discussion by the National Farmers' Union and the Food Manufacturers' Federation, in association with Scottish representatives, and considerable progress has been made. I am in consultation with the parties as to whether further progress would be facilitated by the appointment of some such body as the Provisional Pig Industry Development Board envisaged in the Pig Commission's Report.

MOTOR ACCIDENTS, LONDON.

Dr. SALTER asked the Home Secretary how many people were killed and how many injured in 1932 by motor vehicles while boarding or alighting from tramcars?

Sir J. GILMOUR: In the Metropolitan Police district, 27 persons were killed by motor vehicles in 1932 while boarding or alighting from tramcars. I regret that I have no further information as to accidents of this particular kind.

PRISON SERVICE.

Captain P. MACDONALD asked the Home Secretary whether, when vacancies occur in the rank of Governor in prisons and Borstal institutions, applicants from the discipline and clerical ranks are received and considered; whether there is a selection board to advise him; and, if so, who are the members of the board?

Sir J. GILMOUR: Any applications made by members of the clerical and discipline ranks of the prison service for appointment to the rank of Governor are received and considered. When a vacancy has to be filled, the Secretary of State, before making an appointment, receives the advice of a selection board composed of representatives of the Prison Commissioners and the Civil Service Commissioners; the membership of the board varies from time to time.

CINEMATOGRAPH FUND.

Mr. McENTEE asked the Lord President of the Council what amount of money has been received under the Home Office regulation of 17th January last out of the receipts from Sunday cinemas?

Mr. BALDWIN: I would refer the hon. Member to the answer I gave on 15th February to my hon. Friend the Member for Finchley (Mr. Cadogan).

GOVERNMENT STAFFS (IMPORT DUTIES ACT).

Mr. RHYS DAVIES asked the Financial Secretary to the Treasury the increase in the number of the staff necessitated by the administration of the Import Duties Act, 1932, and the approximate annual increase in salaries?

Mr. HORE-BELISHA: The staff of the Customs and Excise Department has been increased since October, 1931, by 1,323 at an approximate annual cost of £265,000 in consequence of work arising out of a number of Acts, including besides the Import Duties Act, 1932, the Finance Act (Tea Duty), the Irish Free State (Special Duties) Act and the Ottawa Agreement Act. The increase has been mainly due to the first mentioned Act, but it is not possible to allocate it definitely. The staff of the Import Duties Advisory Committee (including the Chairman and members of the committee) consists of 97, estimated to cost £44,224 in the next financial year. There is also a small section in the Board of Trade, consisting at present of about 12 subordinate staff costing approximately £2,500 per annum which is necessitated by the administration of the Import Duties Act, 1932.

NATIONAL FINANCE.

SPIRITS, BEER AND WINE (REVENUE, NORTHERN IRELAND).

Mr. LECKIE asked the Chancellor of the Exchequer the estimated quantities retained for consumption in Northern Ireland of beer, spirits and wine and the estimated revenue attributed thereto for the calendar year 1932?

Mr. HORE-BELISHA: The approximate quantities of spirits, beer and wine retained for consumption in Northern Ireland during the calendar year 1932, and the estimated revenue attributable thereto are as follow:—

Article.	Approximate quantity retained for consumption.	Estimated attributable revenue.
	Proof Gallons.	£
Spirits ...	223,000	788,000
Beer ...	Standard Barrels 136,000 Bulk Barrels 168,000	755,000
Wine ...	Gallons, 246,000	72,000

ENTERTAINMENTS DUTY.

Mr. ALBERY asked the Financial Secretary to the Treasury the amount received on account of Entertainments Duty from cinema and part-cinema entertainments, and from theatrical performances, respectively, for the last three years?

Mr. HORE-BELISHA: I regret that the information requested is not available. Separate particulars of the receipts of Entertainments Duty from different classes of entertainments are not obtainable, because in the case of duty paid by the purchase of stamps or stamped tickets there is no official information as to the class of entertainment for which the stamps or tickets may be used.

CONVERSION LOAN (ADVERTISING COST).

Mr. LEONARD asked the Financial Secretary to the Treasury the total cost of advertising the Conversion Loan floated last year?

Mr. HORE-BELISHA: The total cost of advertising the 5 per cent. War Loan conversion was £90,760.

NAVAL AND MILITARY PENSIONS AND GRANTS.

Mr. SMEDLEY CROOKE asked the Minister of Pensions whether his attention has been drawn to the case of H. Crabtree, of 8, Lion Street, Bacup, No. 3/MC/4,886, who was granted treatment with allowances from May, 1930, until June, 1931; registered as fit for work at the Labour Exchange from June, 1931, until March, 1932, drawing unemployment benefit; again admitted to hospital from March to May, 1932, and September to December, 1932, but refused treatment allowances; and whether, in view of this and similar cases, the Minister will review the regulations governing the payment of treatment allowances in order that allowances may be paid in cases where a pensioner is removed from the labour market for the purpose of receiving treatment?

Major TRYON: I would remind my hon. Friend that treatment allowances are, as I pointed out in the detailed answer which I gave him on 30th November last, intended to compensate for actual loss of wages or profits which would be received if the man were not undergoing treatment and, although consideration is always given to cases in which the man is no more than temporarily and for a brief period out of work, I should have no authority to deal similarly with cases in which earnings have definitely ceased for a prolonged period. Up to the time of his admission to hospital in 1933 Mr. Crabtree had done no work since 1929, except for a few hours on one occasion only, and in these circumstances he was not eligible for the special allowances. During hospital treatment, while being himself maintained free of cost, he continued to draw without deduction his pension of 28s. a week.

ORDERS OF THE DAY.

SUPPLY.

[1st Allotted Day.]

Considered in Committee.

[Sir Dennis Herbert in the Chair.]

Civil Estimates and Estimates for Revenue Departments, 1933 (Vote on Account).

Motion made, and Question proposed,

"That a sum, not exceeding £156,423,000, be granted to His Majesty, on account, for or towards defraying the Charges for the following Civil and Revenue Departments (including Pensions, Education, Insurance, and other Grants, and Exchequer Contributions to Local Revenues) for the year ending on the 31st day of March, 1934, namely:—

Civil Estimates.

Class II.

	£
Foreign Office	85,000

Class V.

Ministry of Labour	31,000,000

Class I.

House of Lords Offices ...	26,000
House of Commons	110,000
Expenses under the Representation of the People Acts	100,000
Treasury and Subordinate Departments	135,000
Privy Council Office	3,500
Charity Commission	12,800
Civil Service Commission ...	8,000
Exchequer and Audit Department	51,000
Government Actuary ...	11,500
Government Chemist ...	23,300
Government Hospitality ...	2,000
The Mint	50,000
National Debt Office ...	500
National Savings Committee	26,500
Public Record Office ...	12,500
Public Works Loan Commission	10
Repayments to the Local Loans Fund	35,000
Royal Commissions, etc. ...	31,810
Miscellaneous Expenses ...	6,000
Secret Service	80,000

Scotland:

Scottish Office	27,000

Class II.

	£
Diplomatic and Consular Services	650,000
League of Nations	80,000
Dominions Office	17,000
Dominion Services	25,000
Irish Free State Services ...	1,159,000
Empire Marketing	90,000
Oversea Settlement	40,000
Colonial Office	49,000
Colonial and Middle Eastern Services	270,000
Colonial Development Fund, etc.	150,000
India Office	37,500
Imperial War Graves Commission	70,000

Class III.

Home Office	155,000
Broadmoor Criminal Lunatic Asylum	21,500
Police, England and Wales...	5,141,000
Prisons, England and Wales.	550,000
Approved Schools, etc., England and Wales	105,450
Supreme Court of Judicature, etc.	10
County Courts	10
Land Registry	10
Public Trustee	10
Law Charges	58,000
Miscellaneous Legal Expenses	45,000

Scotland:

Police	225,000
Prisons Department	50,000
Approved Schools, etc. ...	15,800
Scottish Land Court	3,300
Law Charges and Courts of Law	14,200
Register House, Edinburgh...	10

Ireland:

Northern Ireland Services ...	5,000
Supreme Court of Judicature, Northern Ireland	15,300
Land Purchase Commission, Northern Ireland	1,195,000

Class IV.

Board of Education	15,500,000
British Museum	70,000
British Museum (Natural History)	40,000
Imperial War Museum ...	3,800
London Museum	1,850
National Gallery	7,800
National Portrait Gallery ...	2,600
Wallace Collection	4,000
Scientific Investigation, etc.	85,000
Universities and Colleges, Great Britain	975,000

Scotland:

Public Education	2,600,000
National Galleries	4,000
National Library	500

Class V.

Ministry of Health	6,000,000
Board of Control	61,000
Registrar-General's Office ...	41,000
National Insurance Audit Department	54,000
Friendly Societies Registry...	15,000
Old Age Pensions	15,000,000
Widows', Orphans', and Old Age Contributory Pensions	4,000,000
Grants in respect of Employment Schemes	1,400,000

Scotland:

Depart of Health	1,150,000
General Board of Control ...	5,700
Registrar-General's Office ...	6,200

Class VI.

	£
Board of Trade	95,000
Bankruptcy Department of the Board of Trade	10
Mercantile Marine Services	130,000
Department of Overseas Trade	120,000
Export Credits	10
Mines Department of the Board of Trade	68,000
Office of the Commissioners of Crown Lands	11,000
Ministry of Agriculture and Fisheries	820,000
Beet Sugar Subsidy, Great Britain	50,000
Surveys of Great Britain	60,000
Forestry Commission	150,000
Ministry of Transport	50,000
Development Fund	130,000
Development Grants	200,000
Department of Scientific and Industrial Research	180,000
State Management Districts	10
Scotland:	
Department of Agriculture	140,000
Fishery Board	25,000

Class VII.

Art and Science Buildings, Great Britain	78,000
Houses of Parliament Buildings	38,000
Labour and Health Buildings, Great Britain	198,000
Miscellaneous Legal Buildings, Great Britain	55,000
Osborne	4,000
Office of Works and Public Buildings	190,000
Public Buildings, Great Britain	355,000
Public Buildings, Overseas	35,000
Royal Palaces	23,000
Revenue Buildings	432,000
Royal Parks and Pleasure Gardens	59,000
Rates on Government Property	1,000,000
Stationery and Printing	725,000
Peterhead Harbour	10,000
Works and Buildings in Ireland	18,000

Class VIII.

Merchant Seamen's War Pensions	107,000
Ministry of Pensions	17,000,000
Royal Irish Constabulary Pensions, etc.	785,000
Superannuation and Retired Allowances	730,000

Class IX.

Exchequer Contributions to Local Revenues, England and Wales	15,500,000
Exchequer Contributions to Local Revenues, Scotland	2,000,000
Total for Civil Estimates	£130,673,000

Revenue Departments.

	£
Customs and Excise	1,900,000
Inland Revenue	2,350,000
Post Office	21,500,000
Total for Recenue Departments	£25,750,000
Total for Civil Estimates and Estimates for Revenue Departments	£156,423,000 "

3.20 p.m.

Mr. LANSBURY: I beg to move, "That Item Class II, Vote 1 (Foreign Office), be reduced by £100."

I should have preferred that it should have been possible for the right hon. Gentleman the Foreign Secretary or someone else on behalf of the Government to make a statement on this subject first. I understand, though, that it is according to the rules of discussion in Committee of Supply that anyone who wishes to move a reduction should start. We put this Amendment down, as I think the Government are well aware, in order to get a complete statement from the Government on the situation in the Far East and the decision of the League of Nations last week in reference thereto. Had the statement been made first, it might have been possible for me and my friends not to trouble the Committee for quite so long as we shall be obliged to do now, because, if the Foreign Secretary had introduced the subject, he would have given the Committee, I take it, the full history of the matter down to the present day.

I should like to say at the outset, speaking for myself and my friends in this matter, that we are neither pro-Japanese nor pro-Chinese and that we have as much regard for the Japanese people as we have for the Chinese people. We may, and do, profoundly disagree with and dissent from the policy of the Japanese Government, but that does not alter our feelings of friendship and regard for the Japanese people, and we would like that to be quite clear. Neither in anything that I may say to-day do I stand at this Box as a self-righteous representative of either the working people who sent me here or of our nation as a whole. I say that, because the representative of Japan last Thursday or Friday stated, when the decision was arrived at against his country, "Let the nation that is without sin cast the first

[Mr. Lansbury.]

stone." If these events had happened previously to the Great War, before the coming of the League of Nations, it would have been a little difficult for any of the great Powers to have answered that question properly or with any justice, but the coming into being of the Covenant of the League has, at least on paper, altered the relationships of the Governments of the world. We are supposed now to have forsaken the old paths of Imperialism, war, and domination, and all of us to have pledged ourselves to other methods and means of settling our differences. That, it seems to me, rather vitiates the argument of the Japanese representative, though I am bound to say that I think, offhand, he may have had, thinking of the past, some justification for his statement.

As to this discussion, whatever other hon. and right hon. Members may feel about it, we feel that the world is facing probably one of the most serious crises since 1914, and, because we think that, we are of opinion that the Foreign Secretary, or whoever speaks for the Government, should tell us clearly and as emphatically as possible any obligations, if there are any, that we are under to any Government in certain eventualities, and make it quite clear that in this matter we are not actuated, as some people are insinuating that we ought to be, by motives of opposition to the spread of Communism either in China or anywhere else in Asia. In our view, it has nothing to do with the rest of the world whether China, or Japan, goes Communist or not. [HON. MEMBERS: "Oh!"] I will repeat that. In our view, it is a matter for the Chinese people, and no one else, and to the idea that we should interfere or stand aloof because, as is claimed by the Japanese Government (she stands for the preservation of order in Asia, especially in that part of Asia, and should therefore be allowed a free hand), we object altogether, and to anything that would give countenance to that policy. We maintain that that is altogether in defiance both of the Covenant of the League and of the Nine-Power Treaty.

I should like also to say that both the Chinese Government and the Japanese Government are on an equal footing so far as recognition by the great Governments of the world is concerned. Both of those States are recognised as Sovereign States. The right hon. Gentleman, answering questions last week, gave an answer on the question over what portions of China effective control was exercised by the Government at Nanking. Yes, but the Committee should remember that the Ambassadors of the Nanking Government are accepted here, at the Court of St. James, and at Tokio, and elsewhere throughout the world, that they are both recognised by the League of Nations, and that both sat, until last Friday, as colleagues on the Supreme Council of the League. Therefore, it seems to me that there cannot be any real sense or reason in arguing whether or not there is a central Government in China. It is recognised universally throughout the world that there is.

The next point that I should like to make is that both these nations signed the Covenant of the League, that Japan signed the Nine-Power Treaty guaranteeing the integrity of Chinese territory, and that both signed the Kellogg Pact. This is what the Japanese Government signed in regard to China:

> "The contracting Powers, other than China, agree to respect the sovereignty, independence, and territorial and administrative integrity of China."

Clause 4 of Article 1 reads—and I call the attention of hon. Members who rather questioned my statement a moment or two ago to this:

> "To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States, and from countenancing action injurious to the security of such States. The contracting Powers agree not to enter into any treaty, agreement, arrangement, or understanding, either with one another, or, individually or collectively, with any Power or Powers, which would infringe or impair the principles stated in Article 1."

The first of those principles is that all the nine Powers acknowledge the sovereignty of the Chinese Government, and the independence of the territorial and administrative integrity of China. I call the attention of the Committee to another fact which is worth remembering in these discussions. Both China and Japan have been under a certain amount of foreign control, but Japan, as is well known, has freed herself entirely of any control in her ports or within her territory. A foreigner living in Japan has to live under the rules of the Japanese nation. That, however, is not true of China, which has not yet gained the same freedom; but we must bear in mind that ever since the Sun Yat Sen revolution which established the Chinese Republic, the successive Governments have down to the present moment persistently striven by negotiation to free the Chinese treaty ports and to establish a China free of all alien interfence or domination. It is necessary to keep this in mind while we are discussing the dispute between Japan and China, because so far her efforts have failed, and the struggle that is taking place in reference to Manchuria is part of her general struggle for national freedom.

It is said and argued in the Press, and it may be argued here to-day, that so far war has not been declared between these two nations. I am not a legal jurist, national or international, and I do not intend to argue whether a state of war exists or not between these two nations. It is sufficient for ordinary people to know that since the dispute commenced Japanese troops, armed and equipped with all the devilish machinery of modern warfare, have blasted their way across Manchuria. No one can deny that, and if that is not war, ordinary people would like to know when there is war and when there is not. As an incident in the campaign, there has been a pretty wholesale slaughter and destruction to Chinese villages and townships hundreds of miles away from Manchuria, and no one can declare that in those circumstances during the last 17 months war has not been waged between Japan and China, or rather waged by Japan on China. Further than that, at the present moment the Japanese forces are struggling to push their way into another great province. Common people do not understand the language of jurists who claim that war does not exist unless a form of words has first been used by one side or another, but there is an old English saying that actions speak louder than words, and we think that in this case there is no necessity for words to tell us that there is war. The actual happenings prove that a war is on.

For 17 months this matter has been discussed, and last week the League of Nations decided that Japan is the aggressor and that her conduct is not consistent with the obligations imposed on her by her membership of the League or by the treaty which she has signed with regard to China and war. It is something to be thankful for that at long last a decision has been reached. Speaking for my friends, and remembering the line that we have taken from the beginning, I think that it is almost criminal that the decision was not arrived at earlier. Just consider what the position is. The long delay has enabled the Japanese Government to consolidate their conquests in Manchuria and to get a jumping off place further into China. We ought to have had some more speedy method of dealing with the matter. If the League is to be effective in future, she must move more speedily or, as a consequence of delay, a war may be over long before the League comes to a decision. [*Laughter.*] There is nothing to laugh at in that. Some people may think that Great Britain signed the Covenant of the League and did not mean it. I think that we did mean it. If we did not mean that we were going to use this means of stopping war or of preventing war, I do not know why we signed the Covenant, and I do not understand people thinking it a matter of joking that a war should be concluded before the League took action. I should have thought it something for very serious consideration. That is what I am trying to press on the Government and on the League of Nations. Let us consider what the League of Nations has decided. Part of what I am about to say is based on the records of the League and on the Lytton Commission. We are told that on 19th September in consequence of an incident near Mukden—the explosion of a bomb or the removal of a railway sleeper—the Japanese

> "put into operation with swiftness and precision . . . a carefully prepared plan to meet the case of possible hostilities between themselves and the Chinese. . . . The Chinese . . . had no plan of attacking the Japanese troops or of endangering the lives or property of Japanese nationals at this particular time or place."

According to the Lytton Commission, an explosion did take place, but

> "the damage, if any, to the railroad did not in fact prevent the punctual arrival of the south-bound train and was not in itself sufficient to justify military action. The military operations of the Japanese troops during this night . . . cannot be regarded as measures of legitimate self-defence."

[Mr. Lansbury.]

I undertake to say that there has been no stronger condemnation of the action of any Government in almost any circumstances than those words of the Lytton Report. What happened afterwards is set out in the language of the President of the Assembly in presenting the report of the Special Committee of the Assembly on the 21st February. This is what he said:

> "Since 21st September, 1931, first the Council and then the Assembly endeavoured to settle the dispute with the agreement of the parties, in accordance with the Articles of the Covenant"—

articles which were signed by the Japanese Government—

> "in virtue of which the matter has been referred to them. For exactly 17 months the efforts at conciliation have been pursued. At the outset of the dispute, the Council had received the assurance that the withdrawal of the Japanese troops in the zone of the South Manchurian Railway, which had already been begun, would be pursued as rapidly as possible in proportion as the safety of the lives and property of Japanese nationals was effectively secured, and that Japan hoped to carry out this intention in full as speedily as possible."

What is the position to-day, after that assurance from Japan? These are not my words:

> "To-day the three Eastern Provinces are occupied, Japanese troops have crossed the Great Wall, and it is announced that operations are being prepared to occupy the Province of Jehol."

Since then the bogus Government of Manchukuo have sent an ultimatum to China, and, as we are told in the Press, military operations are in full blast. Perhaps my knowledge of modern history is limited, but I should think there has been no more cynical, blatant disregard of solemn obligations than has been displayed by the Japanese Government in this respect. The Assembly of the League of Nations have made this declaration:

> "Without excluding the possibility that on the night of 18th September, 1931, the Japanese officers on the spot may have believed that they were acting in self-defence, the Assembly cannot regard as measures of self-defence the military operations carried out on that night by Japanese troops at Mukden and other places in Manchuria. Nor can the military measures of Japan as a whole, developed in the course of the dispute, be regarded as measures of self-defence."

After observing that in Manchuria there are many factors without an exact parallel in other parts of the world, the Assembly declare:

> "It is indisputable that without any declaration of war a large part of Chinese territory"—

Remember, the League have declared that Manchuria is Chinese territory—

> "has been forcibly seized and occupied by Japanese troops, and that in consequence of these operations it has been separated from and declared independent of the rest of China. While at the origin of the state of tension that existed before 18th September, 1931, certain responsibilities would appear to lie on one side and the other, no question of Chinese responsibility can arise for the development of events since that date."

Even after several months had elapsed since the incident at Mukden, our Government had not apparently made up their minds one way or the other on the subject, because in another place Lord Hailsham declared:

> "His Majesty's Government prefer not to express any opinion or come to any decision as to the responsibility for the situation which has arisen until they had heard the contentions of both sides and have investigated the evidence which has been laid before them by one side or the other."

We consider that was a most extraordinary view to take.

The SECRETARY of STATE for FOREIGN AFFAIRS (Sir J. Simon): Was that before Lord Lytton's Committee gave its report?

Mr. LANSBURY: Yes, it was during a discussion raised by Lord Ponsonby. As an ordinary person I should have imagined that the invasion of another country across a great stretch of the sea was an act of war and did not need much investigation as to whether it was right or wrong. [*Laughter.*] I would say to those who laugh at me that if a similar thing had happened in this country we should have considered it to be war, and bloody war at that. In any case, we on these benches expressed our point of view at the time. The fact that war was being waged was self evident from the moment the Japanese Government set their troops in action on 18th September, 1931, and I repeat that it is a misuse of words to say anything else, and if the League of Nations is to be accepted by the peoples of the world as a defence against war, and is to be effective in dealing with these disputes, its rules must be modified and it must have power to act with the same swiftness and precision as the Japanese army acted under the orders of their Government. Had this been possible eighteen months ago, the world might have been spared the events developing before our eyes, and the awful prospects which unfold before the mind of even the most unimaginative of us—the international scene in the world.

Lord Cecil, who is looked upon as an authority in these matters, has declared that a war, small or large, in any part of the world, must ultimately affect the whole world, and it is from that point of view that I am speaking this afternoon. Although I have called attention to the statement of Lord Hailsham, I do not want to pursue that point except to make it clear that we who sit here have, right from the start, urged that some action should be taken, because we realised the terrible consequences which might ensue if this dispute went on and the war between these two countries continued. As I have already said the League of Nations, and our Government as members of the League, have tried patient negotiations, but at the last moment the Japanese have just flouted every single and collective appeal which has been made to them. We do not consider that there can be any inherent right in any nation to invade the territory of another nation simply because it may consider that its economic interests demand such action. We here want to say that quite definitely. Whatever may have been the case before the Great War, since the signing of the Covenant there cannot be any justification for any such claim as that.

When the Great War was launched we were told that it was a struggle to uphold treaty rights and treaty obligations and was for "a scrap of paper." Japan joined in that war. Millions of men enlisted to fight for a scrap of paper. One of the German Ministers was accused of urging that "necessity knows no law" as a justification for the invasion of Belgium. I believe that has been in the minds of statesmen many times in the history of the world. We all believe—I speak for those who sit here—that when the Covenant of the League was signed, that doctrine was abolished, at least from among civilised nations. Because that is the case, we are not concerned that people can prove that Japan has business, commercial, monetary or other interests in Manchuria. Those considerations do not enter into the matter, because they do not give her any right cynically to outrage her obligations and not to honour her pledged word. She has chosen war.

War is something that usually spreads, especially when it concerns countries like China and Japan. It is very difficult to localise. In 1931, when my colleagues and myself spoke from here, other hon. Members who took part in the Debate spoke as though the hostilities were not of much importance to ourselves or to the world in general because they would be localised, and in a few months everything would have settled down. Nothing of the kind has happened. The Japanese are now fighting in another province of China, in Jehol. I have been looking at the map. I would ask everybody here to follow the good advice of the late Lord Salisbury and to look at big maps, and if hon. Members do so they will see what an enormous territory is involved, and what the frontiers of this territory really embrace. Jehol is in inner Mongolia. What hon. Members can tell where inner Mongolia ends and outer Mongolia begins? Perhaps some expert will stand up and tell us that. Outer Mongolia is within the sphere of Russian influence. The frontiers of Manchukuo are North China, outer Mongolia and Russia. The maritime province of East Siberia separates Manchuria and the Japanese Islands and spreads to the frontier of Korea. In the four years from 1918 to 1922, the military forces of Japan occupied this province, and made an abortive attempt to separate it from Russia.

To-day Mr. Matsuoka, who was the Japanese Minister at Geneva, has stated that in Japan there are two trends of thought. One regards the Soviet Union as a menace to Japan and thinks that Japan should strike at the Soviet Union before the potential menace fully materialises. [HON. MEMBERS: "Hear, hear!"] I hear hon. Members cheering. That reminds me of what two hon. Members said to me a few days ago. They said that it would be a good thing if Russia and Japan could be occupied with one another in the Far East, as that would make it easier to deal with Communism in Europe. That is about the maddest theory that has ever been put

[Mr. Lansbury.]
forward. I should not have mentioned it but for the cheers of a couple of hon. Members below the Gangway. The other opinion, says the Japanese Minister, is that the matters at issue between the two countries could be peacefully settled by means of diplomacy, and the Japanese Minister believes that. Who, in this Committee, will refuse to consider the grave possibility of a preventive war between Japan and Russia? Lord Lytton, to whom the Committee will, perhaps, listen more respectfully than to me, in a speech that he made in Paris last week is stated to have expressed the opinion that Japan's military policy is producing the very danger it fears, and that it is heading straight for war against both China and Russia that will bring these two countries together, and apparently it is the military who are in control in Tokio. Does anyone think that a war between Japan on the one hand and two great nations of 600,000,000 people on the other—or even the danger of such a war —is something that we ought to treat with humour and to think would be for for the good of the world? Yet I have been told by Members of this House that that would be a very good thing, because it would help to destroy the menace of Communism. The Japanese Government, in a statement published in the Press to-day, claim that what they are doing is heading back the forces of Communism in Asia. It is a very mad world when such a thing could be possible, or even could be contemplated.

There is another matter upon which I would like the Secretary of State for Foreign Affairs to give any information that he can to the Committee. The right hon. Gentleman the Member for Epping (Mr. Churchill) made a remarkable speech in this House during one of our discussions, I think it was upon Disarmament, in which he called attention to the Peace Treaties and to the great dangers of war in Central Europe. Men are already saying that this expected war between Russia and Japan will be an excellent opportunity of dealing with many of the problems mentioned by the right hon. Gentleman when he spoke. This all sounds very fantastic, but when I remember the secret treaties, made before and during the Great War, it does not sound so fantastic to me. It is now proposed, and spoken of in the Press by statesmen, that Poland and Germany might come to an arrangement about the Polish Corridor whereby that might be given back to Germany and Poland be given compensation in places far away from one another, in the Ukraine and in Latvia and Lithuania. When men talk that way, and at the same time talk of the good of war in Asia for the purpose of heading back Communism in Russia and stopping its spread elsewhere, it does not seem very fantastic that those who hate the Soviet Union should have in their minds a policy of this kind.

Neither this country nor any other will escape, if the dogs of war are once again let loose. War is a cancerous growth. It is also like fire; it spreads very badly once it starts. I hope that no hon. Member will imagine that if the situation develops in China we shall be able to contract it and to keep it just there. The Japanese have said that they do not intend to go any further than this particular province—yes, always provided that the Chinese will settle down comfortably and accept an accomplished fact. But who imagines that they will do so, and does anyone here think that if because of Chinese opposition the Japanese Government think it necessary to occupy Tientsin, Peking and other places in China, it will stop there? It cannot possibly stop there. If, on the other side, Russia is brought in, it is quite certain, in my judgment, that the war monsters in Europe will break loose, and we shall have again a position like that of 1914.

What is to be done? It is for the Government to tell us what they propose to do. I speak under the disadvantage of not knowing what their proposals are, with the single exception of the public statements in the Press of what the Under-Secretary has proposed at Geneva. Our position in this matter is quite simple. We are very glad indeed that at long last the League of Nations has unanimously, and, as far as we know, with the approval of the American Government, come to certain definite conclusions. They have declared who is the aggressor, and therefore all the sanctions, all the obligations of the Covenant ought, in our judgment, to be carried through. There is an obligation not only upon Japan to honour its word, but upon those who signed the Covenant to honour their word. The Covenant lays down certain things to be done. I know it is the fashion to say that if these are carried out, the Japanese Government may run amok in the Pacific, and all kinds of terrible things may happen. I think it is a pity that those who signed the Covenant did not think of this kind of thing when they signed it, because it is very terrible if, after all the hopes and aspirations raised by the League of Nations, we are now to be told that it is useless, and cannot do anything at all.

I hope that if that is the view of the House they will say so, and will retire from the League of Nations and be done with it. You cannot have it both ways. You cannot say that this is an instrument to prevent war or to deal with the aggressor, and then tell us that it is useless, that it cannot be used. The Attorney-General, I think, is contradicting me, but I would like to say to him that for 17 months the Japanese Government has defied the League of Nations, or, rather, has violated its pledged word according to the Covenant. Now the League has come to its decision, and we ask that the Government should let the Japanese Government and the Japanese people understand that we intend neither directly nor indirectly to give her the least help in carrying out her purposes against China. It is said that armies fight on their bellies, and, in modern days, all Governments need credit and finance. We agree, as a general principle, that all the Governments connected with the League of Nations should act together, but I want to point out again, that if this matter of stopping arms, ammunition and credits is going to be the subject of committees and commissions, and interminable delay, the Japanese may be in Peking, and the whole of that part of the world be in a blaze before we come to any decision. We want a decision come to, as I said at the beginning, as rapidly as the Japanese are able to move with their forces. We must keep in mind—at the risk of boring the Committee I repeat it—that the Japanese Government have said that they do not want to go any further if there is no opposition to them; that is, they want to be allowed to go further unless the Chinese people accept the accomplished fact.

I have said already that the invasion of North China has started, and no one can tell where it will end. The Assembly of the League of Nations remains in Session, and a sub-committee has been requested to follow the development of events. While the grass is growing it is said that the horse is starving, and while we are talking, and while the League of Nations is talking, the Japanese armies can blast their way through China. Men and women by the ten thousand are being slain. History will never forget what happened outside Shanghai. It will be remembered for all time. I must say that I am very oppressed and depressed by the sort of attitude of mind some people have towards war even in these days. Is not a Chinese man or woman as valuable as we are ourselves? Is it matter for a joke that 10,000 of them are destroyed? What becomes of all the talk about the comradeship of nations, the brotherhood of nations and all the rest of it? On behalf of my friends, I want to press on the Government that we want action to be taken now. [AN HON. MEMBER: "What action?"] If the hon. Member will have patience, I will tell him. We want our Government to say at once, that no arms and no ammunition shall be exported from this country. They have got plenty of power to do it without any Act of Parliament at all.

Mr. CHURCHILL: Exports to both sides?

Mr. LANSBURY: Speaking from an entirely different point of view from the right hon. Gentleman, and only for myself as a pacifist, I should not send them to either side, but my friends take the view, and it is the view I am putting to the Government—I am speaking for them at the moment—my friends on this matter do not hold the entirely pacific view I happen to hold myself, and, therefore, I am asking for a complete embargo against the aggressor.

Captain STRICKLAND: May I ask whether in this embargo the right hon. Gentleman would include the import of arms from America into Japan, and whether he would be prepared to send a British Fleet against America to prevent that importation?

Mr. LANSBURY: The American nation and the American Government will, I am quite sure, do what they think right.

[Mr. Lansbury.]

[*Interruption.*] The hon. Member for one of the Lancashire Divisions seems to think that that was an extraordinary statement.

Captain Sir WILLIAM BRASS: I did not make any remark.

Mr. LANSBURY: You sit there muttering all the time.

Sir W. BRASS: I neither made any remark nor was I muttering.

Mr. LANSBURY: It is very difficult, on a subject like this, to deal with a running fire of commentary by hon. and right hon. Members. Returning to the statement I made, I really cannot see that there is anything extraordinary about it. It was that the people of the United States and the United States Government would make their own decision in this matter, and I have no doubt that they will make it on right lines. I do not think that they will want to import arms into Japan, any more than I hope our Government will, but I am asking this afternoon, quite definitely, that the Government shall prohibit the export of arms to Japan. I am asking that they shall use the power which the Order-in-Council passed in May, 1931, gives them of holding up the export licences. It will not need any Act of Parliament. They have power at the moment either to grant the licence or to withhold it. We also ask that there shall be an embargo on finance and credit. We believe that if these two things were done, then neither Japan nor any other Government could carry on a war. It is said, "Why should we do this alone?" It is said by some people, "Well, if you do it, the Japanese, contrary to your belief, will have power to continue fighting against the Chinese, or, alternatively, if we do not export arms, other nations will, and if we do not allow our factories to work for the supply of these weapons of destruction, other nations will garner a very rich harvest."

I have heard that argument a good many times, but I should like to put it to the House that it is a very unworthy argument indeed, and one for which we, at least, ought not to stand. If a thing is right, it is right; if a thing is wrong, it is wrong. Here is Japan brought to the bar of the greatest court in the world, and found guilty, not by people without experience, but by the statesmen of the world, and we ask that, instead of our Government waiting, they should take action now, and say that from this country no arms of any kind should go——

Mr. MABANE: Will the right hon. Gentleman define "arms"?

Mr. LANSBURY: If the hon. Gentleman cannot define "arms, ammunition and war equipment," the War Office, the Air Ministry and the Naval authorities can easily advise the Government. It does not need a layman like me to advise them. They have plenty of experience—[An HON. MEMBER: "Cotton?"]—everything of contraband. We want the export from this country prohibited of everything that will aid and abet Japan in its cruel, cynical war on China, and its outraging of its obligations to the League of Nations and the world. I hope I have spoken quite clearly. We ask for that for the sole purpose of freeing our nation from any responsibility in the matter. I have only this to say in conclusion. There are in this country many good people who have much of their money invested in armament firms and firms that supply the kind of things that are needed to carry on a war. I should like to see the bishops and the clergy and the statesmen who hold those shares take action and call meetings of the various companies and stop the manufacture of these things for the time being. It is said that these people invest their money for self-defence, for the defence of our country, and so on. Here is an opportunity of testing their *bona fides.*

I should also like to say that I take my stand on the doctrines laid down by the Lord President of the Council in the powerful speech that he delivered on Disarmament only a very few weeks ago. He appealed to the young men and the young women of the land, and it is often said about this House that old men like myself and others stand in the way of the young men. Very well; here is a chance for the young men to exert themselves; here is an opportunity for the young men who do not want to be landed into another Armageddon to come forward and take their stand and try to put an end to the danger of this terrible catastrophe that may overtake the world —another world war.

I want to remind hon. and right hon. Gentlemen, though again it will probably be only a matter for humour with them, that 10,000,000 men were sacrificed in the last Great War, and that, in our own country, literally millions were bruised and battered and destroyed. We old men survived because we were not called upon to go, but the youth who ought now to be carrying on in this country were decimated and destroyed, and they were destroyed because people put expediency first. I sat on those benches in the years from 1910 to 1912, when all the discussions used to take place about our engagements with the French in case of war, and I heard the statement of Sir Edward Grey, now Lord Grey of Fallodon, in regard to our assertions as to what would happen if certain things continued. In the end we were proved right, and the Government of the day and its advisers were proved wrong. The Great War came. To-day, I believe, the world is living under the shadow of an even greater catastrophe; I believe that events in the Far East may lead to more widespread devastation; and it is because I believe that that I stand here to-day and ask that this Committee should call upon the Government to act on its own behalf and on behalf of the British people, and say that, while Japan holds on her path of Imperialist crushing of a nation weaker than herself, we will have no part or lot with her at all, but will just stand outside it.

I would also like our Government to make one more effort with the Japanese Government to bring them to reason. Imperialism has been of no use for this nation, and of no use to the world. You can see the wreckage that it has caused all over the world to-day. The Japanese Government and the Japanese nation have come into the whirlpool of commercial expansion later than others, but they have come in at a time when the great Imperialist nations of the world are all trembling to ruin, and it is because I believe that that I think our Government should make even another appeal to the Japanese people and the Japanese Government to hold their hands, and, instead of pursuing the way of force and slaughter and domination, to try to come to an understanding with the people of China. I do not believe that that is impossible. I believe that, if the Japanese Government would give up their, so to speak, forcible will, and come to reason, they could come to an understanding with the Chinese nation that would be satisfactory to them and satisfactory to China.

4.21 p.m.

Sir J. SIMON: It will, I think, be for the convenience of the Committee if I follow the right hon. Gentleman at once, and before the end of the Debate, if necessary, some further statement can still be made from the Government Bench. I would like to begin by saying that I find myself in entire agreement with the right hon. Gentleman in respect of something that he said at the beginning of his speech, and in respect of something that he said just at the end. I think we shall all be in agreement with him in both the sentiments to which I refer. He said in his first sentence that, in taking part in the Debate, he and his friends dealt with the subject on the basis that he wished this country to be and to remain the good friend both of China and of Japan. I am grateful to him for having stated that so clearly. It is the basis upon which we all ought to proceed, and I am sure that nothing that anybody will say in any part of this Committee will be designed for one moment to suggest the opposite. I also agree with what the right hon. Gentleman said in his concluding sentences. He said that, after all the many efforts that had been made, he still wanted to appeal and to do anything that he could to induce the parties to this unhappy conflict to meet together and reach a mode of conciliation. That is everybody's desire, and that is the justification for the time that has been occupied at Geneva on the effort to conciliate. I am very glad indeed that the right hon. Gentleman, in his peroration, should have admitted that it was a worthy object, and even now should be pursued.

The course of the British Government in this matter has been perfectly clear, perfectly consistent, and perfectly straightforward from beginning to end, and I was a little sorry not to hear from the right hon. Gentleman an admission that he now recognised how mistaken all those critics were who were suggesting or insinuating some months ago that the British Government was not prepared to stand by the Lytton Report. The truth is that from the very beginning, quite openly, and in speaking both to the Chinese and to the Japanese repre-

[Sir J. Simon.]

sentatives privately, I have made plain what has been throughout the position of the British Government. It is that this is a matter which by every possible means ought to be brought to an end by conciliation; but, if conciliation failed, or failed for the time being, there was no view of this contest which could possibly be put in rivalry or in contrast with the view that has been expressed by the report of the Lytton Commission. A great many people some months ago were insinuating doubt and suggesting that when the time came we should not stand by our word, or that I in the meantime was endeavouring to pursue some other course. Never. From beginning to end, without the slightest change of attitude, we have said that conciliation is the first task. It is the provision of Article 15 of the Covenant that you should endeavour to conciliate. Let us do it by every manner of means. But, should conciliation unhappily fail, then the view that must be taken of this matter is the view that is unanimously taken by the League's own Commission, the Commission presided over by Lord Lytton. The right hon. Gentleman at one moment seemed to me not to have read the Lytton Report as closely as I feel sure he must have done. He was explaining his view that we were here in the presence of nothing more than a simple, uncomplicated transgression over the frontier of one country of the armies of a foreign State. May I ask his attention to a paragraph in the Lytton Report? I will read it to the Committee. It is at page 126:

> "It must be apparent to every reader of the preceding chapters that the issues involved in this conflict are not as simple as they are often represented to be. They are on the contrary exceedingly complicated, and only an intimate knowledge of all the facts, as well as of their historical background, should entitle anyone to express a definite opinion upon them. This is not a case in which one country has declared war on another country without previously exhausting the opportunities for conciliation provided in the Covenant of the League of Nations. Neither is it a simple case of the violation of the frontier of one country by the armed forces of a neighbouring country, because in Manchuria there are many features without an exact parallel in other parts of the world."

The right hon. Gentleman is quite entitled to say, and as a matter of fact I agree with him, that it is to the last degree regrettable that, as month has followed month, the situation has become more and more aggravated, and that this advance of Japanese troops is not in accordance with the Covenant of the League. I agree with him entirely, but he is not entitled to say that we were faced in the first instance with one of those simple issues which any sensible man could dispose of.

Mr. LANSBURY: I am sure that the right hon. Gentleman does not want to misinterpret what I said or what I meant. The simple point that I made was that the Japanese Government, instead of referring the dispute to the League, simply invaded and has carried on an invasion of the territory, and herself has determined by force to do just what she thinks is right.

Sir J. SIMON: I do not think that the right hon. Gentleman will find that on this point we are necessarily at issue. I must be allowed to speak within the recollection of the Committee. The right hon. Gentleman's point was that there has been a highly regrettable delay on the part of the Government of this country, and, in particular, he quoted Lord Hailsham in another place to confirm it. The reason I interposed to ask him what was the date of the quotation was that it appeared as the result of that inquiry that Lord Hailsham's statement was made before the Lytton Commission had ever reported. If there is a difference between us, I am well content that it should be thus defined. It is right for people to form a conclusion, after having appointed a Commission to find out the facts, by examining what the Commission said, and I do not think it would be in the least degree in accordance with the traditions of this country or of fair international dealing that, after first requiring that a Commission should be appointed, over which a fellow subject of our own was appointed to preside, the British Government should make a pronouncement when the Commission itself had not yet reported. But the Commission has now reported. It is a perfectly simple and straightforward document. It it a unanimous report by members drawn from five different countries including one from the United States. It is the report of a Commission appointed by the League of Nations itself and all the experience at Geneva goes to show that, if you appoint a Commission, adequately staffed, it goes to the spot, gets its information on the spot and then presents a unanimous report, it would be an extremely strong order if the League of Nations did not pay due attention to what the report says. I have never varied from that view from one moment to another since the report has been made.

What does the report say? Let me at once agree with the right hon. Gentleman on what is the main point, that there is no doubt at all that the methods that have been followed by Japan in this controversy and the actions that she has taken are not in accordance with the provisions of the Covenant of the League. To use a common expression, Japan has taken the law into her own hands, and it is beyond any possibility of doubt or dispute that the Covenant of the League lays down that you should not take the law into your own hands, but shall use the machinery which the League provides. I hope I have stated that with as much bluntness and plainness as to satisfy everyone. I have no doubt about it at all. But you do a grave injustice if you stop there and do not admit that the case of Japan was one which involved many complications, that she has in fact had very severe trials to put up with, that she has been dealing with a neighbour who has been extremely difficult to deal with and that her situation, apparently her lawful situation in Manchuria, is something quite exceptional in the history of the world. Consequently, in the first instance the action of the Japanese army does not in the least resemble the invasion by a foreign force of some other country, because Japan in fact has exceptional rights over strips of territory there.

You must also, if you are going to be fair, admit, as I said at Geneva, that the Lytton Report is not a one-sided document. It endeavours to produce a balanced judgment, and I notice that very epithet "a balanced statement" comes in the unanimous report which has now been adopted by the League itself. I have got into terrible hot water because I pointed out at Geneva that this document contains a balanced judgment. It says it is quite true that the anti-foreignism of China and the lengths to which she and her people have carried the boycott created a situation of the greatest possible difficulty. If you want a simple proof of it it is to be found in the fact that, although the Lytton Commission makes the strong recommendation which it makes and which the British Government adopt and support, it also says it would not be satisfactory to go back and to restore the *status quo* as it was before 18th September, 1931.

I believe I have stated without any sort of bias or prejudice what is the substance of this report. I have never doubted for a moment that it was a report which should be adopted by the League, and, when I say adopted, I mean not only the eight chapters which are a historical statement, but the recommendations that are found in it. That is what the League of Nations has done. The Committee will be well advised to observe that Lord Lytton and his colleagues, studying this thing so closely, have not made recommendations for sanctions or vehement action or compulsion in any form at all. What they have done is to recommend a series of methods of approach between one side and the other, and they have urged that we of the League of Nations should do everything we can in order to promote that approach. I was a little astonished when I heard the right hon. Gentleman, with his well-known record from a point of view which we greatly respect, saying in effect that in his view, unless the League of Nations was to proceed by methods of sanction and compulsion, he did not see what was the good of our belonging to the League of Nations at all. I should have thought he was the last man in the world to belittle the moral effect of the judgment of the world. I take the view that the fact that 42 nations have pronounced a unanimous judgment, in which they have adopted the report of a perfectly fair commission, is a fact and an event in the history of the world. Gentlemen of the right hon. Gentleman's opinions and persuasion ought to be the first to rejoice over it. I altogether repudiate the idea that, when the League of Nations has adopted that unanimous view, it has not itself done a great thing. I am very glad that the Government of this country has from first to last taken its full share in getting that done. I wish to express my obligations to the Under-Secretary who with great skill and to our complete satisfaction, has seen to it that the British Government took its proper stand and played its proper part.

[Sir J. Simon.]

Now the right hon. Gentleman asks what are we going to do—a perfectly proper and a very important question to ask. In particular, he has referred to the question I am now going to deal with, namely, what could or could not be done in the matter of the continued supply of arms to the Far East. Even if nothing was done, I should regard the unanimous declaration of the League as a great fact and a real contribution on the long view to world peace. I should regard it as wholly unfair to Japan if we did not recognise that her circumstances and her trials were undoubtedly exceptional, and I should regard it as wholly unfair to China, and not being a faithful member of the League if we did not say that, after all, the Covenant of the League does not authorise people to take the law into their own hands, and that Japan has not acted in the way that the Covenant of the League suggested.

In those circumstances, it is perfectly natural that a demand should arise which calls for action which would prevent the sustaining, the fostering, the fomenting of the conflict by the supply of arms. I do not think I should be in the least representing the feelings of the vast mass of my fellow-countrymen if I were to speak of that sentiment and attitude in any way but in the way of sincere respect and understanding and sympathy. It would be a great satisfaction to many of us, especially in view of the efforts that we have made and are making to promote disarmament and spread the basis of peace, if we could feel that our own country was taking no part in supplying the means of carrying on the conflict, or if we could secure international action to produce that result more effectively. That is a sentiment which is a deep and sincere sentiment not in the least confined to cranks and queer people. It is the view of many a man who does not otherwise think very deeply of this class of issue. It is a horrible thing in their view that profit should be made out of the supply of the means of provoking fighting which is neither necessary nor just. The Government have started with that very clearly before our minds.

Now I am going to analyse the situation and then I will answer the right hon. Gentleman's question. A very little consideration and reflection leads inevitably to this view that, if this kind of thing is going to be effectively and finally stopped, it can only be stopped by international agreement. I do not ask anyone to approve that sentiment as an easy means of relieving our own conscience. I state it as a fact, and it is a very obvious fact. As a matter of fact, we have had a little experience of this. Some years ago an effort was made to stop the supply of arms to China at a time when civil war was rampant. Very great international efforts were made, but it is a very moot point whether we really succeeded in stopping arms going in. In this country we certainly stopped the supply, but with one or two other exceptions I doubt whether it would be said that armaments from other countries in the world ceased to go in. The thing has to be done internationally if it is to be really effective. President Hoover said in Congress the other day that the efforts of a single nation to stop the armaments traffic was bound to be futile. As a matter of fact, in this country we are provided with rather better machinery for the purpose of stopping the arms traffic than most countries, I think than any other, because we have an armaments Order-in-Council which means that when arms and ammunition according to a prescribed list are going to be exported from any port in the United Kingdom they will only be passed by the Customs if a licence is produced which authorises that particular traffic to proceed, and, therefore, we must face the fact that we in this country whether for good or for evil have a machine in our hands which could be used. Most other countries, I am informed, are not in that position, and, with regard to the United States, I understand the position really is that the executive has no power to stop it. I am very glad to see that a message was sent to Congress suggesting that they might legislate so as to confer power on the President, but they have not at present done so.

It is perfectly plain, therefore, that, if you are going to do this thing effectively it can only be done by international agreement. The British Government lost no time in trying to find out what could be done in that direction and as soon as ever it became plain that the report of the Committee of Nineteen would be adopted by the League, but that unhappily Japan would not accept it we made inquiries. We communicated with some half-dozen of the principal arms-producing countries in the world. As a matter of fact, before you can get a system of international control you will have to do more than that, because there are countries which sell arms and do not produce them. There are all sorts of roundabout ways in which the thing may happen. Those inquiries have not yet been answered; and in no case have they been answered finally. But I will say this, that we have been very active in making those inquiries.

In the discussions at Geneva the representative of the United Kingdom Government was instructed to raise this matter before a committee which is called the Advisory Committee. I believe that to-day or to-morrow it is likely to come under consideration there. Therefore, I would like to say to the Committee in regard to the first point, realising, as everybody must, that the only effective method of stopping the thing is International agreement, we have ourselves been as energetic and active about it as any Government could possibly be. That does not exhaust the matter. As the right hon. Gentleman said, one thing is to do your best to secure the effective International control of arms to the Far East. If you do that, you should be active in making inquiries of other countries, which is what we have done; but at the very best it will take a little time, not only to get a decision, but to get enough information to know whether a decision is possible.

We therefore have by no means overlooked the other question which the right hon. Gentleman put across the Table just now. The question is: Is there any action which can be taken by this country by itself? On that I have two propositions to put to the Committee. The first is, that when you have passed from the sort of action which the League of Nations, or which a great International Conference, including America, might take to the sort of action which an individual country might take, you manifestly are moving into a very different atmosphere, and, for practical and conclusive reasons, very different considerations apply. I therefore lay down this proposition from which we shall not budge. It is impracticable for a single country like ourselves acting alone to differentiate between one combatant and another. I do not think the Committee would require that I should develop the reasons, some of which will occur to any man of ordinary sense and prudence.

Mr. MAXTON: I wish you would. I should like to hear those reasons.

Sir J. SIMON: For the benefit of the hon. Member, I will certainly develop one at once. It would be the height of absurdity for a cargo designed to go to the port of "X" at a time when we have decreed that in no circumstances it shall go to the port of "Y," to find itself in the China Seas and in danger of being interfered with, because the authority of "Y" have plenty of powers in those seas and "X" have no power. I think that I am myself enough of a pacifist to take this view, that, however we handle this matter, I do not intend my own country to get into trouble about it. I have made the first of my two propositions purely for the purpose of clearing the mind of the hon. Member. I think that what I have said will satisfy the Members of the Committee of this: First of all, that international consideration as quickly as possible is, no doubt, the best process and the one most likely to lead to effective results, and, secondly, that if there was to be any action by a single nation like ourselves, it could not be differentially distinguished between "X" and "Y." The choice, therefore, is between Departments here day by day granting positive licences to exporters whether the cargo is going to be consigned to China or Japan, and refusing licences for either one or the other.

We have done everything in our power to hasten international consideration of the subject, and, pending that consideration, as from now we believe that any efforts and any sacrifices are worth making which will reduce the risk of widening the field of conflict or of prolonging the bloodshed. We believe that the general sense of the country at this time would be opposed to a decision which, by freely admitting the dispatch of arms—and it involves a positive authority from a Government Department—would undoubtedly help to foment the struggle and increase the slaughter. Contracts which have been

[Sir J. Simon.]

already made—existing contracts already entered into—must be respected or you may get demands for compensation and have all sorts of injustices done. But subject to this we have decided that as from to-day, and pending the opportunity of international consultation and decision such as I hope for, the Government will not authorise the issue of licences for export to either China or Japan of any article mentioned in the Arms Export Prohibition Order, 1931.

I am perfectly well aware—no doubt if I said so you would point it out to me at once—that that decision will not in itself prevent the supply of arms to the Far East from other sources—certainly not. Some people may say that it may even stimulate it. Yet, it will be the first time, Mr. Chairman, as far as I know, in which any neutral Government, certainly any neutral Government which manufactures arms, has taken positive action of this kind in reference to a distant conflict with which we do not mean in any circumstances to concern ourselves. But we ask for the approval of the House for a bold decision which involves the country in no controversy with either party and which, we believe, will commend itself to the better judgment of the country.

Let me say a single word in conclusion. The right hon. Gentleman when he began, said that in his view these recent developments in the Far East were bringing about a situation fit to be compared with the fearful situation of 1914 to 1918. The Government have good reason to know, and I have had good reason to know for many months, how anxious is the task of so handling this matter as not to involve these frightful circumstances. There is one great difference between 1914 and now, and it is this: in no circumstances will this Government authorise this country to be a party to the struggle.

4.54 p.m.

Sir HERBERT SAMUEL: The Committee have listened with very close attention to the important statement made by the Foreign Secretary on a matter which is one, not only of very grave moment to this country but to the whole world. In the first place, I should like to express my concurrence with what has been said both by the right hon. Gentleman and by the Leader of the Opposition as to the general attitude in which the House of Commons and, I believe, the country at large approaches this dispute. It is not in the least an attitude of enmity or hostility to Japan. For years we were proud to be the allies of Japan. We were the first country to give her a helping hand when she came out from her isolation into the full comity of nations. This country has a profound respect for the ancient civilisation of Japan, for her high culture, her art and her literature, and has an admiration for her modern efficiency. We should be fully as ready to side for Japan as to side against her, and, if in this matter public opinion is running strongly against the action of the Japanese Government, it is solely upon the merits of the case.

It is recognised fully that the wrongs, as the right hon. Gentleman has said, are not all on one side. The Lytton Commission, which was a wholly impartial body, fully recognised that fact. They appreciated the Japanese standpoint as well as the Chinese. They did not recommend merely a return to the *status quo*. On the contrary, they proposed large changes, having regard to the special interests of Japan. The most significant feature in the whole of this matter is the complete unanimity which has been obtained for international action along certain lines. The Lytton Commission, as the right hon. Gentleman has said, was completely unanimous, like the Simon Commission, and, I may add, the Samuel Commission. It contained, be it remembered, not only a British chairman but also members drawn from America, France, Germany and Italy, all of them bringing impartial minds to bear and all reaching to the same conclusion without even a single note of dissension. The Committee of Nineteen, containing representatives of that number of nations, was, again, absolutely unanimous, and when the matter came before the Assembly of the League more than 40 nations declared unanimously their opinions. Since then a most important event has occurred. It is announced in the Press to-day that the Government of the United States, in general terms, adheres to the decision of the League of Nations. It is a contrast compared with what used to happen in the past. My right hon. Friend sitting behind me can well remember the discussions on matters, not of the Far East but the Near East, when what was called the Concert of Europe always struck a discordant note, each Power playing its own instrument in its own way, and unanimity was never obtainable.

It is a most remarkable fact that to-day we have complete unanimity on the part of all authorities who have brought their minds to bear on the problem, and I think that the thanks of this House, and of the country, are due to the members of the League of Nations, the members of the Lytton Commission, and the members of the committee led by Monsieur Hymans, its distinguished Chairman, who by great care and tact have succeeded in securing a unanimous guidance for the world. It has proved how widespread is the recognition now that it is essential that there should be a world order, and that the League of Nations should be effectively its initiator and its guardian. When the Japanese say to us, as their delegate said when quitting the Assembly two days ago: "Look at history. All you European Powers have in the past scrambled for territory, how can you cast the stone at us?", the answer, clearly, is, that although it is true that there is substance in it, looking at past history, the modern world has turned to different courses. The very fact that the League of Nations exists to prevent the great scramble of imperialist Powers from engaging in aggression shows that we have turned to other lines.

With regard especially to China, all the Powers concerned at the Washington Conference, including Japan, solemnly resolved that they would not take advantage of the disunion and weakness of China to promote their own separate interests. The British Government restored to China the Port of Wei-hai-Wei and the surrounding territory as earnest of our sincerity in the matter. If the old international morality had prevailed, with modern armaments, China would have been dismembered long ago. There is no reason why all the great Powers should pass a self-denying ordinance and say that they would not for their own selfish interests intervene in China, in order that one among their number, without rivalry or competition, should take advantage of that self-denying ordinance in order herself alone to promote her own interests, to the detriment of China.

There is one further consideration which, I am sure, the House will have in mind with respect to the supply of arms and with respect to the levying of any embargo upon imports and exports. This matter should be considered in no degree from the point of view of national trade. If we forgo the right to supply arms to Japan, we should have no regard to the fact that that involves the sacrifice of orders, profits and employment to many of our manufacturers and workmen. It will be a sacrifice, but the matter should not be considered on that plane. That cannot be the predominant motive. Similarly, if the question arises now or in the future of joining in any embargo on imports into Japan, or exports from Japan, that would have the opposite effect of being an advantage to our trade in many particulars, but that consideration also should be quite sincerely dismissed from our minds. If such action should ever come forward for consideration, whether it be right or wrong, expedient or inexpedient, it should be considered solely from the standpoint of whether it is legitimate or necessary in order to secure the observance of the judgment of the League of Nations.

These are the general considerations which form the background for any conclusions which we may reach with respect to the urgent question of an embargo upon the export of arms either to Japan alone or to both countries. I am convinced that the thoughts predominant in the minds of the people of this country at this moment are these: The fact that the Chinese should have been unjustifiably attacked, is very bad; that we and other Powers are unable immediately and effectively to intervene and protect them is worse; but that they should be continuously attacked with the aid of guns, tanks, aeroplanes, shells and bombs, which British people shall have made and sold for that purpose, would be quite intolerable. If it should prove to be the case that the Chinese are able to raise a gallant defence of their territory, and if ship after ship were to leave our ports containing cargoes of munitions of war to enable the Japanese to bear down that defence, I believe the conscience of the British nation would revolt against that and that public opinion would not endure it. That should be the predominant consideration, and our policy in all these matters must conform with that view.

[Sir H. Samuel.]

Having said that, I agree with what the Leader of the Opposition and the Foreign Secretary declared that, obviously, the right course to pursue is by international action; the duty does not lie on this country alone or upon any other country alone. The duty of such intervention as may be necessary rests upon all equally. I am sure the whole of the Committee will have heard with satisfaction the Foreign Secretary's declaration that already the British Government have taken the initiative in bringing this matter before the League of Nations and asking for a very early decision. We trust that the matter will be quickly discussed by the League and that they will be able to arrive at a decision with the same unanimity as in these other matters, and that they will receive the endorsement, the concurrence and the co-operation of both the United States and Russia.

The Foreign Secretary has made a clear declaration of the course which the Government intend to take with regard to the immediate situation. He has pointed out the difficulties of taking individual action on the part of this country, if that action were to discriminate between Japan and China. At the same time the fact has to be realised that in stopping the import of arms to both China and Japan the practical effect will be injurious to Chinese interests, because China depends upon the purchase of arms from foreign countries far more than does Japan. Consequently, if both countries were isolated from the world in the matter of arms it would be an enormous advantage to the Japanese attack, which is fed by her great arsenals, and a great disadvantage to the Chinese defence, which has to be supplied largely from foreign sources. If this were the case and were seen to be the case after a lapse of some months, if, unhappily, the hostilities were to continue so long, it might be that in any future eventuality countries would realise that they might, if put on their own self-defence against an aggressive Power, acting in defiance of the Covenant of the League of Nations, be cut off from supplies, and that it would be to their interest to meet the case beforehand by establishing their own arsenals. Therefore it might be that action of this kind, taken with the best of intentions by this country, individually, or conceivably by the League collectively, would result in giving an impetus to the establishment of more arsenals, State arsenals, in many countries where they do not now exist and where they would be a centre of militarist influence.

On the other hand, it is a fact that the imposition of an embargo upon the supply of arms to Japan alone, whether by this country or by the League, will create a new situation, certainly new in international law. The old rule of neutrality doubtfully applies in the present situation. There are three differences between the situation now and what it would have been before the Great War in the matter of the supply of what is regarded as contraband of war by neutral nations. In the first place, the whole conception of neutrality must be altered by the fact of the existence of the League and the declaration of a judgment by the League. Can there be a legal neutrality when there has been a formal declaration of a judgment internationally against one of the parties to the dispute? Can the old conception of neutrality hold, particularly in this matter of the supply of arms? Mr. Stimson has very clearly declared to the contrary. The Secretary of State of the United States in a formal document, a memorandum officially communicated to the Foreign Affairs Committee of the House of Representatives of Congress, has said, in a case where the League has passed judgment that one of two parties is the aggressor.

> "If the League or any other comprehensive group of important States mutually arrived at such a verdict the participation of the United States in a general arms embargo would be not merely practical and sound but practically necessary to preserve our national dignity and standing as a peaceful nation."

This declaration, coming from that source, is of profound importance in this connection. It shows that Mr. Stimson is taking a different view from that which would have been taken before the War in regard to the matter of neutrality.

Mr. WALLHEAD: Is that in connection with the present dispute?

Sir H. SAMUEL: Yes. It was made a few days ago. Secondly, we have now in the Far East a state of warfare though not a state of war. The Pact of Paris has in this situation not succeeded in preventing war from being waged but only in preventing war from being declared. What is the outcome from the standpoint of international law? Are we to regard the situation as being one in which war *de facto* exists, or one in which the ordinary rules of commerce in times of peace are still to apply? Thirdly, there is this difference between the present situation and that which existed before the War, that we have the Order-in-Council, to which the Foreign Secretary has made reference, which imposes upon the Government the duty of granting or of withholding licences for particular consignments of arms to be sent from particular ports in this country to particular ports abroad. That means that to-day the Government have to take specific action one way or the other by granting or withholding from this country or to that country the supply of arms. Previously, the supply of arms was a matter for private enterprise, and the contractor took his own risk and acted on his own authority. Now, there is and must be direct Government intervention. Consequently, the action of the Government becomes a matter of international law and international policy, and it has to be considered from that point of view.

All these circumstances make the situation an entirely new one and, for the first time, very grave decisions have to be taken by individual countries and the League of Nations. The difficulties that may arise from individual action to the detriment of an individual Power has been indicated by the Foreign Secretary, but that is not a reason for taking no action; it is a very strong reason for urgently desiring joint action, for if the whole world take the necessary steps simultaneously the situation will be quite different from that which might occur if only one nation takes action alone. We have the duty to participate with other Powers in the establishment of world order, but there is no obligation to make the British Navy the sole policeman of the world. Those who believe most strongly in collective action should be unwilling to anticipate it by individual action. The right hon. Gentleman has said that, for the time being and pending an international decision, the Government are withholding any further licences for the export of arms to the Far East, with the exception of those that are sent in accordance with running contracts. I think the Committee would like to have at some stage information as to what those running contracts are and how long they are likely to continue. If it means that Japan will be entitled to secure for a period of months, or it may be years, very large quantities of arms from manufacturers in this country, the conscience of the nation would revolt against it, and it would be urged that some steps should be taken to terminate the obligation under those contracts. I trust that this temporary arrangement will be only for a very brief period, for it would work to the detriment of China rather than that of Japan.

Lastly, I am convinced that the Committee and the country would desire that in other directions, apart from the supply of arms, Great Britain should withhold aid and assistance of every kind from Japan, who have been declared to be the aggressor in this matter, particularly, as the Leader of the Opposition suggested, in respect of loans and credits. Japan will find herself subject to very severe economic strain. There has already been a great increase in her national expenditure and a great decline in her revenue. There was a deficit in her Budget of this year of £90,000,000. Her currency has fallen to nearly half its value and there has been consequently a rapid rise in domestic prices. Meanwhile, she has undertaken the task of maintaining order and good government throughout the vast territory of Manchukuo, in which it is estimated that there are at the present time no fewer than 200,000 so-called bandits, who overrun the country.

It may be that economic forces, combined with the moral pressure of world opinion, will after no long interval bring Japan to a more reasonable state of mind. That is what I am sure all her wellwishers, and there are many in this country, will most earnestly desire. For generations Japan kept herself in isolation from the world, and in that isolation developed her own distinguished and distinctive civilisation. Then she came into the full stream of international life, cultural, industrial, commercial, political. Now, for the moment perhaps let us hope, she has withdrawn again into a position of moral isolation; she is alone at this moment in the whole world. The Japanese are a proud, a sensitive and a great, people and they cannot be insensible to the opinion of the world. It

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is in no spirit of enmity but rather in a spirit of true and abiding friendship that humanity says to Japan: "You are on the wrong path; aggressive militarism by anyone, anywhere, is an injury to us all everywhere; and if you wish to recover the respect of mankind you should change your course." That should be the message to Japan in these days from all the Parliaments of mankind, and first from this Parliament, the oldest and not the least illustrious of them all.

Mr. LANSBURY: May I be allowed to ask the Foreign Secretary whether he is able to state to the House the actual proposal as to an embargo which the Under-Secretary is recommending to the Committee that is to be set up?

Sir J. SIMON: I cannot make a precise statement on that subject at the moment. The matter, as I have said, has been the subject of some communications to a number of Governments. I am a long way from Geneva, and Geneva is a long way from here, and I must await a report from the Under-Secretary as to the state of feeling he finds there. If the object is to arrange some international action it is better to consult with one another without prejudice rather than for one country to try to dictate to the rest.

Mr. LANSBURY: It is not a question of dictation.

5.18 p.m.

Sir AUSTEN CHAMBERLAIN: Like other hon. Members I awaited the discussion to-day with great interest and with some anxiety as to what might be the declaration made by my right hon. Friend the Secretary of State. Nobody who recalls the previous speeches I have made in our discussions on this Far Eastern trouble will accuse me of being actuated other than by motives of sincere respect for the great island Empire of the East and a real friendship for her people. When these troubles began in Manchuria the facts were obscure, and, having regard to the long continued and severe provocation which the Japanese had suffered at the hands of China, my sympathies were wholly with Japan, and I found it difficult to keep a balanced judgment, which it was right and proper we should maintain, until the facts were more clearly known. Gradually as the situation has developed my sympathy with Japan and Japanese policy has diminished, and we have reached a stag at which, in the light of the report of th Lytton Commission and the discussions a Geneva, it seems to me that it is impossible to contend that the action o Japan in Manchuria is compatible wit the obligations she undertook when sh signed the Covenant, is reconcilabl with the terms of the Pact of Paris, t which her signature is also attached, o does not directly contradict and disavo the obligations of the Nine Power Treaty. I think that Japan has bee hurried, rashly and unwisely, into a adventure, the end of which may be fa distant and the expenditure of which i blood and treasure may be far greate than her people now foresee.

I was glad to hear my right hon Friend the Foreign Secretary make som answer to the suggestion of the right hon Gentleman the Leader of the Opposition that if the League could not stop this wa at once, or stop these warlike operation at once, or did not at once enforc sanctions against the party which wa found to be in the wrong, the League wa a failure and those of us who were prepared to leave it at that had better mov that this country should leave the League I cannot really believe that on reflectio the right hon. Member for Bow an Bromley (Mr. Lansbury) holds thos views. Although the success of the Leagu is very imperfect, although its first decision has been long delayed in the effor for conciliation, and even though the results of that decision may be delayed stil longer, I cannot think that the verdict o the assembled world united at Genev will count for nothing in the settlemen of these issues when that settlemen comes. There is no nation in the worl to-day, however strong, however mighty however powerful its arms, that ca afford to neglect the judgments a Geneva. I have a shrewd suspicion tha in Japan, as elsewhere, as these judgments and their meaning come to b known, they will exercise a decisive effec on the ultimate settlement of th questions in dispute.

Those of us who pin some part of ou faith to the League of Nations hav naturally been asking ourselves th question which the right hon. Member fo Bow and Bromley put to my right hon Friend: what is to follow upon the dec sion of the League? There was one sentence used by the right hon. Gentlema in which once again, I think, he failed to convey his real meaning. I hope he will look it up in the Official Report, and I think he will find that it may be necessary to make some correction. If the words of the right hon. Gentleman are taken literally, he is an advocate of the most bellicose policy, amounting to a blockade by this nation, even if we stand alone, of commerce with Japan. I know that men who are passionately devoted to peace are apt to feel more bellicose than anyone else, but surely the right hon. Gentleman does not contemplate the possibility of thrusting this country into this struggle, and thrusting it in with no international mandate and as no part of any common international action. I am quite certain that in no quarter of the House would a policy of that kind meet with wholehearted support, and I am also quite certain that opinion outside would not support a Government which acted so unwisely and so rashly.

The country, I believe, will applaud the statement of my right hon. Friend the Foreign Secretary. His Majesty's Government do not mean this country to be actively involved in this dispute. Having regard to the fact that the export of arms from this country is no longer a matter simply of letting be, but requires an active act by the Government, His Majesty's Government are right to say that arms shall not go to a nation which has been found in default by its refusal to accept the award, the decision, the advice, or whatever you like to call it, unanimously given by the League of Nations. And reluctant as I am to agree, I say it quite frankly, I do agree that, acting for the present alone and without international agreement, it follows that if we do not supply arms to one party we must not supply arms to the other. I rejoice that my right hon. Friend has moved, I think he said as soon as it became clear, that the decision of the Assembly would be unanimous—I do not think I should wrong him if I guessed that he had moved even earlier—in order to obtain international action in this matter. I hope he will press for international action, and press for it not only at Geneva but with other Governments, great Governments, which have been co-operating with the League in this matter and co-operating also in the Disarmament Conference.

Can any nation which has signed the Covenant feel that it is in accordance with the spirit of that Covenant that it should by a trade in arms lend aid and comfort to some other nation which is in default in the observation of the obligations it has undertaken? Can any nation which has signed the Pact of Paris say that it is compatible with the meaning and spirit of that Pact, that when a nation dishonours its signature to it and acts in defiance of it, the other signatories to the Pact should supply it with the arms with which to continue its wrongdoing? I think we can make a strong appeal to our fellow-signatories of the Covenant, and, what is equally important, to our fellow-signatories of the Pact of Paris or the Kellogg Pact, who do not happen to be members of the League of Nations, to accept the consequences which follow from those two instances, and to join us in an international agreement to give effect to it. I attach the more importance to that because it is quite evident, as my right hon. Friend has just said, that a mere refusal to supply arms to both parties may in many cases do great injustice.

Indeed, if I may I would treat this subject not as merely being a feature of the Sino-Japanese dispute, but as a great question of world policy at this moment, with examples arising not merely in the Far East, but in South America, where similar questions arise and similar decisions may have to be taken by the League and by other nations not concerned in the League. Again I venture to emphasise the point that I am not now discussing the Sino-Japanese difficulties; I am discussing a broad question in general terms, and not in reference to any two particular countries, whether they be countries of the Far East or of South America. It must be evident that if one country, A, is meditating war against another country, B, in defiance of its engagements under the Pact of Paris or Kellogg Pact, it will not take overt action until it has secured what it thinks is a sufficient armament to carry through the campaign which it sees in front of it. It is the nation which is not preparing for war, which is contemplating no act of aggression on its neighbours but desires only to live in peace with them and all the world, which is the one that is likely to be found short, and if the only

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rule that the world can come to is that, where there is a struggle between two nations in defiance of those engagements, neither shall draw supplies of arms from any part of the world, very imperfect justice will be done.

I think the adoption of a rule that, where the League had been appealed to, a unanimous decision given and concurred in by the great Powers not represented directly in the League, no arms should go from any of them to the country which refuses to accept that decision, would ultimately be the right one, though for the time being the compromise adopted by His Majesty's Government seems to me the only wise, and indeed the only safe course. The Government do not need my incentive because they have already acted, but I beg them to press these considerations on the other Powers concerned, whilst they continue, as my right hon. Friend throughout these anxious months has continued, to try yet to bring together the two parties in the Far East, and to cause them to compose their differences and accept a solution which will be honourable and satisfactory to both.

5.36 p.m.

Mr. MORGAN JONES: I think the whole Committee will join with me in expressing thanks to the right hon. Gentleman who has just spoken on the very valuable contribution he has made to our discussion. The right hon. Gentleman knows that I rarely find myself able to congratulate him upon the sentiments that he expresses, and it is a pleasure therefore to do so to-day. I was not only impressed by what the right hon. Gentleman said concerning the problem that now arises for our consideration, but I was deeply impressed by his observations on the problems that are consequential to this present dispute, especially the very big and increasingly pressing problem as to what arrangements the League of Nations could undertake in order to safeguard the interests of nations while they are loyal to their membership of the League. But I do not propose to follow the right hon. Gentleman along that very interesting line of inquiry, because primarily that is a matter for the League itself to discuss. I would, however, like to say something upon the first part of the Foreign Secretary's speech.

When the Leader of the Opposition was speaking he was subjected, a little unfairly at times, I thought, to interruption by supporters of the Government. It was not an unfair deduction to make that some of the interrupters desired to imply more or less their whole-hearted approval of Japan's attitude in this crisis. It seemed to me not unfair to assume also that they regarded their attitude as in consonance with the attitude of their own party in the last few years. In point of fact every single political party in this House is definitely committed upon the question as to whether Japan or China has the right of exercising suzerainty over the area called Manchuria. The right hon. Member for West Birmingham (Sir A. Chamberlain) when he was Foreign Secretary in the year 1928 made that clear on two occasions. On 13th July, 1928, he answered a question addressed to him by Mr. Malone, and used these very clear and precise words:

> "His Majesty's Government regard Manchuria as being part of China. They do not recognise Japan as having any special interests in that territory other than those conferred by Treaty and those referred to in Baron Shidehara's statement at the Plenary Session of the Washington Conference on 4th February, 1922."—[OFFICIAL REPORT, 13th July, 1928; col. 2637, Vol. 219.]

The same Member, Mr. Malone, referred to the problem again by an interruption of a speech made by the right hon. Gentleman on 30th July, 1928, and I will read the passage from the OFFICIAL REPORT:

> "Mr. MALONE: What is our attitude towards Japanese intervention in Manchuria?
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> Sir A. CHAMBERLAIN: We do not recognise Manchuria as anything but a part of China. We recognise that Japan has great interests in Manchuria, which has a great Japanese population, and may well have a certain anxiety as to the protection of those persons. But our interest is a united China under one Government, which can take obligations and keep obligations, and with which we can negotiate a friendly settlement and maintain friendly relations."—[OFFICIAL REPORT, 30th July, 1928; col. 1835, Vol. 220.]

The right hon. Gentleman made it clear what was the attitude of his Government at that time. The then leader of the Liberal party, the right hon. Member for Carnarvon Boroughs (Mr. Lloyd George), followed the Foreign Secretary's pronouncement by saying this:

> "I was very delighted to hear the declaration which my right hon. Friend made

in regard to Manchuria. It is very difficult to say anything in this House which looks like a criticism of a friendly Power, but it is quite incomprehensible to me why a friendly Power like Japan has taken certain steps with regard to Shantung and Manchuria. They have refused, I understand, to recognise the flag in Manchuria. I hope that that does not mean that there is going to be a practical annexation of that vast territory by Japan."—[OFFICIAL REPORT, 30th July, 1928; col. 1845, Vol. 220.]

I have taken the trouble to read those passages in order to make it clear that every single political party in this House, long before the present crisis arose, was committed to the proposition that Manchuria was part and parcel of China. Not only is that true, but I am indebted to a correspondent of the "Times" for making it clear that Japan itself is committed to it. The correspondent recalled a report from the French Minister in Tokio, to M. Delcassé, the Minister for Foreign Affairs in Paris, on 8th February, 1904, in relation to the interests which the then Tsarist Russia was supposed to conceive as being hers in Manchuria. Here is the relevant passage:

> "Japan desired that Russia should recognise Manchuria as an integral part of China. Provided that such a declaration was forthcoming Japan was prepared to allow Russia complete liberty of action in that Province."

So that not only are political parties in this House committed, but Japan herself by diplomatic documents and declarations has admitted that she regarded Manchuria as part of Chinese territory. We are to-day meeting a situation in which that position has been formally endorsed by international documents, and I find it hard to understand the change of attitude which has been disclosed in the Committee this afternoon by the hon. Members who interrupted my right hon. Friend the Leader of the Opposition so frequently during his speech. The hon. and gallant Member for Wycombe (Sir A. Knox) seemed to indicate that that was his view, and I am sure that it is the view of the right hon. Gentleman the Member for Epping (Mr. Churchill), because in a speech which he made in London on last Friday week he said that he desired to say a kindly word for Japan. He said:

> "I hope that we shall try in England to understand a little of the position of Japan, an ancient State with the highest State sense of national honour."

[HON. MEMBERS: "Hear, hear."] Well, where is the honour? Has not Japan committed herself to a long series of international agreements? The right hon. Gentleman the Member for West Birmingham recalled quite properly to the Committee the fact that Japan signed the Treaty of Versailles, containing the Covenant of the League of Nations, the Kellogg Pact, the Nine-Power Treaty, and a long series of similar commitments. To these agreements Japan attached her signature, presumably with the full intention of honouring them both in the spirit and in the letter. How can we regard a nation as being an honourable nation unless she carries out those commitments which she has promised to carry out? But I would make one other observation on this point. This House of Commons, and certainly those of us who study public documents as they are made available, have no right to express extraordinary surprise concerning the action taken by Japan in Manchuria in recent days. I do not know whether hon. Members have heard of the famous memorandum presented, so it is alleged, to the Japanese Emperor by General Tanaka. Whether that document is authentic or otherwise I of course cannot say.

Mr. KIRKPATRICK: It has been contradicted.

Mr. JONES: Well, it is a document which has been referred to in periodicals of some substance and some authority, but if it has been repudiated I am not concerned to develop the point.

Sir J. SIMON: To my knowledge the authenticity of that document has in fact been challenged by the Japanese Government. I say no more than that.

Mr. JONES: I merely refer to it because it was said to have been presented in the year 1927 and the speech made by the right hon. Gentleman the Member for West Birmingham as Foreign Secretary to which I have already referred was delivered some 12 months later. Whether the document was authentic or not I would like hon. Members to observe its proposals and to note how extraordinarily close to the proposals in that alleged document have been the developments in Manchuria and that part of the world. Whoever conceived the document, whether it was General Tanaka or not, this is quite certain—that the author of that docu-

[Mr. Jones.]

ment anticipated with extraordinary clarity, the development of events in Manchuria and Mongolia. It is therefore, shall we say, a striking coincidence that fact has been so closely associated with alleged fiction.

We come to-night to discuss our own attitude in regard to this business, and I am bound to say again that one is entirely in accord with the deserved tributes of admiration which have been paid to Lord Lytton and his fellow members of the Commission for a document which, whatever may happen as a consequence of it, will undoubtedly remain one of the great documents of history. The "Times" newspaper referred to it as a document worthy of the closest study, and the League's Draft Report issued unanimously by the Committee of Nineteen is based largely, indeed almost entirely, on considerations arising from the Lytton Report. I think it was quite right to describe that Report as it has been described as a temperate, just and well-considered document. The Secretary of State for Foreign Affairs, who I am sorry has been obliged to leave the Committee—I do not make any complain at all upon that score—seemed to invite the Commitee to take the view that he had taken a consistent attitude throughout in regard to this problem. I do not know what the right hon. and learned Gentleman has been doing in private, but I do know what he has been doing in public, and I recall to the Committee the simple fact that when the Foreign Secretary spoke at Geneva on the Lytton Report the greater part of his speech was devoted, not to an examination of Japan's activities, but to an examination of Chinese demerits. So satisfactory was the speech of the Foreign Secretary to the Japanese delegate at Geneva that that gentleman said that the British Foreign Secretary had stated the Japanese case more completely in three-quarters of an hour than he had been able to do in eight days.

The MINISTER of LABOUR (Sir Henry Betterton): When was that?

Mr. JONES: On the receipt of the report. After the right hon. and learned Gentleman spoke at Geneva the Japanese delegate declared that the British Foreign Secretary had stated more succinctly the case of Japan in three-quarters of an hour than he had been able to do in eight days. I do not know if that is what is called facing both ways. I do not know if that is what is called giving a fair and just presentation of the contents of the Lytton report. The Lytton report is a balanced document and I very much question if the right hon. and learned Gentleman's speech at Geneva was a balanced summary of what is contained in the report. Indeed, it was very open to the observation that it was largely a pro-Japanese summary of it. I do not doubt that the right hon. and learned Gentleman is quite right in pointing to certain difficulties which have confronted Japanese statesmen in this matter. We are told that they have been very worried and harassed by brigandage which arose in Manchuria. But there are brigands all over the place.

Mr. WALLHEAD: There are some here in London.

Mr. JONES: Yes, there are some in London and some in Chicago and a few in Germany judging from every-day information. But are we to assume that the Chinese have had no provocation? Let it be recalled that when China declared herself associated with the other Powers on the Allied side in the late War, China was presented by Japan—her colleague in the War—with 21 points and called upon to sign. Is it surprising therefore that the Chinese people have entertained some measure of resentment. Granted that there has been provocation on one side, can we forget that there has been provocation on the other side as well? The Chinese people are as much entitled to the sympathy of the House of Commons as are the Japanese statesmen on their side. I dare say that the boycott embarked upon by the Chinese people was very aggravating to the Japanese, but are not we here embarking upon a rather respectable form of boycott when we issue posters calling upon people to buy British goods? That is just another way of saying, "Do not buy foreign goods."

Sir A. CHAMBERLAIN: Surely the hon. Gentleman does no good to the cause which he wishes to advocate by comparing an appeal to people to buy your own home-made produce, with an appeal to boycott the goods and the people of a particular nation.

Mr. JONES: I admit that there is a slight distinction but the distinction is not so grave as the right hon. Gentleman would suggest. It is certainly not so grave as to justify military operations on the part of Japan.

Sir A. CHAMBERLAIN: It is in effect the economic sanction of Article 16 of the Covenant.

Mr. JONES: I think that proposition is very much open to doubt. I know that the right hon. Gentleman is an authority on these matters, but I venture with great respect to challenge the soundness of that proposition. However, there it is. We are faced with this situation which could in my judgment have been largely avoided if Britain had exercised in these international councils her enormous influence, and had declared herself much more unequivocally than she has done in the last 18 months. The vacillation and temporising of which the Foreign Secretary has been guilty remind me of those words in Revelations:—

> "I know thy works, that thou art neither cold nor hot; I would thou wert cold or hot.
>
> So then because thou art lukewarm, and neither cold nor hot,"—

and then follows the condemnation which is no doubt in the minds of hon. Members. I am bound to make it quite clear that, in my judgment, the right hon. Gentleman has been guilty of failing to rise to the level of his responsibility in this matter. If he had spoken and given a lead at Geneva with much more definiteness than in fact has been the case, I think we could have avoided a very large portion of the trouble with which we are now confronted. What, however, is to be done? I rejoice that the Government has declared the action that it proposes to take. I am, of course, an unrepentant pacifist, and I would have been very glad indeed to see armaments of all sorts withheld long ago, but I do not suppose that I can presume to accuse the present Government of being a pacifist Government. I am, therefore, glad to see that to-day it has decided, pending further agreement between ourselves and other nations with a view to international action, that an embargo shall be placed upon armaments made in this country for exportation to Japan and to China.

I wonder if I may remind the Committee of figures that are nearly staggering in their immensity. I understand that a well-known armament firm is and has been receiving increasing orders for the last two or three months. On the 6th December, 1932, 1,000,000 Mauser cartridges were ordered; on the 14th, another 1,000,000 Mauser cartridges were ordered; on the 21st, 20,000,000; on the 6th January, 20,000; and on the 10th January, 15,000,000. Clearly there has been a very considerable measure of activity in this direction long before this problem of an embargo arose in the way in which it has arisen. I understand that in a certain factory recently an amusing incident, something like this, took place. I gather that in one part of the factory they are preparing armaments for Japan and in another part armaments for China, and by an unfortunate chance the Japanese and Chinese representatives arrived at the same factory at the same time, and an unfortunate official pushed both of them into the same room. While they were there they began to discuss what they were being charged for their armaments, and very amicably they came to the conclusion that they would present a joint ultimatum to the firm to reduce the price. It would be better to get some figures as to the armaments that have already been ordered, but I wonder if we could get clear and precise information from the Government to-night as to the extent of time covered by the existing contracts. That is important, as my hon. Friend pointed out. It may very well be that Japan has got contracts over a very long period of time.

Sir A. CHAMBERLAIN: Has the hon. Gentleman any reason to suppose they are Japanese contracts?

Mr. JONES: I am making no sort of allegation at all; I am asking a fair question. It may very well be that Japan may have effected long-term contracts; on the other hand, it may very well be that China may have effected long-term contracts—I do not know—but we are informed, we have private information, that there are long-term contracts. Beyond that, there is this point, that a financially powerful nation like Japan may be able to effect agreements over a

[Mr. Jones.]
longer period than a comparatively weak nation like China, and therefore an embargo placed from to-night, without regard to the length of contracts, might clearly inure to the detriment of China and to the special advantage of Japan. I would, therefore, like to have some further information upon that point.

I, like my colleagues on this side and, I believe, in all parts of the House, would like to feel that this terrible crisis may not be unduly prolonged. It is our common desire, I am sure, that this matter should be speedily brought to an end, and I am sufficiently sound a believer in and faithful and loyal a supporter of the League of Nations to hope and anticipate that if the League rises to that task, the League may yet be able to effect some reconciling influence in regard to this difficulty, for, as my right hon. Friend quite properly warned the Committee and the country, no one can set a limit with assurance to this present war. Who knows but that possibly Russia might be embroiled, that other parts of the world might be embroiled, that an "incident" or an accident might bring nations far and near on to the present scene of difficulty? It is, therefore, not only in the interests of Japan and China, but in the interest of the whole world, that this area of warfare should be speedily circumscribed, and in so far as the Government takes the initiative—and we beg of it to keep the initiative going in this matter—in reconciling these warring nations, I am quite sure the Government can rely upon our whole-hearted support.

6.7 p.m.

Mr. AMERY: I wish I knew where we really stand to-day. I listened with the greatest care to the speech of my right hon. Friend the Secretary of State, and I gathered from it that while he considered that Japan has been subjected to grave provocation, yet she has very definitely broken the rules of the League of Nations and has been condemned by the report of the League; that, in fact, her action has been that of an aggressor according to the technical rules which govern the League of Nations. He was, therefore, consulting with the other nations, and more particularly with those nations which are manufacturers of armaments, with a view to seeing what action can be taken—presumably against Japan. Obviously, the League of Nations is not going to be invited to take action to prevent the injured party, the victim of aggression, defending itself. Therefore, the presumption must be that what the other nations are being asked to do with us is to apply some sort of measure of restriction upon munitions that will aim at preventing Japan carrying out her policy in Manchuria. He declared very definitely that in this matter you could only act internationally.

Why we should be a party to such action, I will not for the moment inquire, but at any rate, having laid down that principle, the right hon. Gentleman proceeded to say that we are going to act individually after all, and to act, not in accordance with any decision of the League of Nations, not in accordance with the policy which is presumably being put forward internationally, but on an entirely different and indeed contradictory policy, namely, that of refusing to supply munitions to both sides. So far as I understand the situation, in view of Japan's immense superiority in armament factories, that is a step aimed against China rather than against Japan. Indeed, the whole policy of refusing supplies of armaments to belligerents is one of very great doubt. It may mean that the party that has equipped itself most completely before aggression is to enjoy the full advantage of its aggressive preparations and that the party that has relied on the good faith of others is to be left helpless.

After all, where should we have been in the Great War if the United States of America had pursued towards us the policy which we are now apparently going to pursue towards China and Japan? It may well be that it may prove a wholly ineffective piece of action. Who can say that China is not going to draw munitions from Russia, or that it is impossible to send munitions to Bangkok for the needs of Siamese merchants? The thing is very likely to break down in practice. But apart from that, it seems to me entirely inconsistent action and to be justified, not on the merits of the case, but, quite frankly, on the ground of what my right hon. Friend called prudence, but, as I would say, cowardice. If we do consider Japan to be wrong in this matter, and if we do consider that action should be taken against her, then, if we take any single-handed action, it should, as far as lies in our power, be action directed against Japan.

But when it comes to that, I confess that I see no reason whatever why, either in act, or in word, or in sympathy, we should go individually, or internationally, against Japan in this matter. Japan has got a very powerful case based upon fundamental realities. Consider what Japan spent in blood and treasure to defend Manchuria against Russian annexation. Consider the extent to which her labours in Manchuria made that country much the most prosperous part of that loose congeries which is called China for the purpose of not paying a subscription to the League of Nations. Consider how that very prosperity has increased the flow of Chinese population into Manchuria. When you look at the fact that Japan needs markets and that it is imperative for her, in the world in which she lives, that there should be some sort of peace and order, then who is there among us to cast the first stone and to say that Japan ought not to have acted with the object of creating peace and order in Manchuria and defending herself against the continual aggression of vigorous Chinese nationalism? Our whole policy in India, our whole policy in Egypt, stand condemned if we condemn Japan. Even now it is worth while reminding the Committee that the operations actually taking place do not arise from Japan's invasion of Manchuria or Japan's invasion of Jehol, but from the decision of Chang-hsue-liang and of the Chinese authorities south of the Great Wall to send armies across the Wall to reconquer Jehol from Japanese control. At any rate, it seems to me that Japan has an arguable case based on those essentials which go far deeper than the verbiage of the Covenant of the League of Nations.

Mr. WALLHEAD: Will the right hon. Gentleman explain why Japan did not put her case to the League of Nations?

Mr. AMERY: She put her case in her own way. I am not concerned with that, but with what is the right course of action for this country to take. When it comes to that, I am told that Japan must be wrong, that the Lytton Commission was unanimous, and that the League of Nations has unanimously decided, only Siam abstaining, that she is wrong. That is so, but both of these bodies started from the principles of the Covenant of the League of Nations—those principles which regard all States as absolutely equal, each with an absolutely inviolable unity without any regard to the circumstances, principles which are utterly unreal and not applicable to the circumstances of an ever-moving and changing world. With regard to this unanimity and the moral force that lies behind it, I noticed a very interesting point about the opening speeches. The opening speech was from the representative of Venezuela which has great responsibilities in this matter and is naturally only too glad that we should throw ourselves into the breach. One of the first speeches after that was from Lithuania. It was a long speech entirely devoted to drawing attention to the case of Vilna. Vilna was seized by the Poles some years ago, and it was a far more flagrant case of violation of the principles of the League of Nations than anything that Japan has done, and it was a case in which the League of Nations took good care not to interfere.

I do not believe that you can settle these great problems on the principles upon which the Covenant of the League is based. Had those principles been applied in the past the Turkish Empire would still have to be maintained intact. India, whatever the chaos might be, as long as there was some decrepit representative of the Mogul surviving there owing his subscription to Geneva, would remain intact. The work of regeneration that has been done in Egypt or in Morocco would have been ruled out. My right hon. Friend the Member for Darwen (Sir H. Samuel) said, "These things belong to a wicked past and the world has now entered upon a new era." But the realities of the world have not changed; they have not been changed by the Covenant of the League of Nations, and they will continue long after the Covenant has disappeared. The realities of the world depend upon the necessities of government, of order and of development, and wherever nations internally or externally are incapable of fulfilling those functions, they will go down against other nations whose need for peace and for development demands that there shall be order. You may have a bloody war with hundreds of thousands of troops on both sides between the dif-

[Mr. Amery.]

ferent provinces of China, but because China is technically a single member of the League of Nations no one concerns themselves with that problem, nobody asks who is right and wrong. Arms are supplied equally to both sides. But because in this Manchurian question—Manchuria, after all, for many years was a practically independent State—the Japanese, who have long established rights in that country, take more vigorous action, it at once becomes a matter for formal condemnation by the League. I do not know that that matters except that you do not preserve peace by ignoring realities.

The worship of unrealities to which this country, above all countries, has been giving itself at Geneva since the War is not going to conduce to the peace of the world. Look at this particular issue. I believe that had it not been for the League of Nations, Japan and China might long ago have come to some reasonable accommodation in Manchuria, and Japan would have been contented to ask for a good deal less than she is going to ask and going to get to-day. I venture to say that if China is plunged into a disastrous war with Japan, it is largely due to her misplaced reliance upon the League of Nations. The League of Nations has offered a chair for China to sit upon and has then pulled it away. That is a situation which we have encouraged by our worship of unrealities at Geneva. There are a good many other unrealities in this connection. Here we are in a situation which, at any rate, approaches serious war. Is Japan likely to disarm in the near future? Is her willingness to disarm, even when she has dealt with China, going to be increased by the kind of attitude that the European nations and the United States have shown to her over this business? On the contrary, she is likely to retain her armaments more effectively than ever. She is not going to do without the air force on which she is relying to-day to such a great extent.

Yet, side by side with these realities, we go playing about at Geneva with a proposal for the abolition of all air forces and the internationalisation and civil control of aviation—a proposal which, I think, is as dishonest as it is silly. It is silly because it cannot possibly be carried out. Japan alone will prevent it. It is dishonest because I do not believe that the great majority of the Cabinet would have encouraged such a proposal being put forward unless they felt pretty certain that it would be rejected. The whole plea I wish to make this afternoon is for honesty in foreign politics, for facing the realities of the situation in the world, for recognising the traditions, the interests, the spirit of other nations, and not to be led from one false step to another by the inexorable logic of nonsense in accordance with a hastily concocted legalistic framework which does not correspond with the facts of the world. I have felt very loth to intervene in order to express a point of view that I know is not very often expressed in this House. I am afraid that there is a good deal of conscious or unconscious hypocrisy when we talk about the League of Nations, about disarmament and about peace. I have endured it for a good long time. At any rate, I have freed my soul this afternoon.

6.24 p.m.

Mr. MABANE: I have listened with considerable interest to what fell from the right hon. Gentleman the Member for Sparkbrook (Mr. Amery). Some of the things which he said about the Far East are certainly true. I agree with a good many of them, but he has drawn false conclusions from some good facts. May I refer to the speech of the Leader of the Opposition? As I listened to him I was reminded of those many sentimental people who endeavour to persuade us to adopt a policy that would lead us to war and then pass resolutions affirming that they would take no part in such a war if it arose. That is an approach to this problem with which I cannot agree. My approach is different. It is what I hope may be called a practical approach, and it is conditioned by the belief that on no account whatever should we be led into war and that, so far as it lies within our power, no other people shall be engaged in war either. My approach may be called a personal approach. I am not yet at an age when I can sit comfortably in an armchair and decree wars for other people to fight. I hope that I and other people who took part in the last War will never reach that mentality. If I see the Government or the Foreign Secretary engaged in a policy which is likely to embroil us in war, then, willy-nilly, the matter becomes personal for me, and I think of the day when I must again don my Sam Brown. I hope that I am not a coward, but I do not glory in war, and five years of war in one life is enough for me. My guiding principle therefore is that on no account should we be engaged in this dispute.

Judged by the standard I see considerable merit in the policy of the Government. It has been subjected to fierce condemnation. The Foreign Secretary has been condemned in no measured terms. It is not for me to judge his merits. It is for me, however, to consider the alternative to the policy which has been pursued. Throughout, the difficulties of the League of Nations have been immeasurably increased by reason of the fact that the United States are not members of the League. I believe that if the United States had been members, this trouble might very well have been settled within three weeks. I have been at some pains to follow the negotiations, and it has seemed to me that on many occasions the League of Nations has been prevented from pursuing a course of swift and decisive action because, having made a certain resolve, the United States have had to be consulted. A period has elapsed, possibly three weeks, and that period has allowed Japan to drive a wedge between the League and the United States. At the end of the period, the situation has altered and Japan has perhaps drawn another red-herring across the trail and the preliminary resolution becomes of no avail in the new circumstances.

There is, again, such a thing as responsibility. The Committee must agree that in these deliberations at Geneva no nation has had to take part with such a sense of responsibility as this country. San Salvador may be very bold in its attitude towards Japan, but there will not be a burden on San Salvador in any menaces in which it may indulge. There are those who say that we ought to have been the boldest in advocating a policy which was hostile, menacing and threatening to Japan. Those people who hold that at an early stage we should have presented Japan with something like an ultimatum, and that we should have endeavoured to secure the assent of the League to the enforcement of the sanctions in Article 16, are quite wrong. I am sometimes distressed and annoyed because pacifists condemn me for dissenting from their view. I return the charge and I find a very simple dilemma to present to people who take that view. It is this. Would they be prepared, both as regards themselves and their friends, to go out to the Far East and fight a war to maintain a decision of the League of Nations taken on these lines at a very early stage of the proceedings? If they would not, their demands at Geneva dissipate into the thin air of the Swiss mountains.

Sometimes I am told, too, that decisive threatening action at an early stage would have compelled the withdrawal of Japan from Manchuria—that this young empire of the East would have crumpled up and departed from the main land of Manchuria. I do not think that anyone with any knowledge of Japan could possibly have assumed that that is true.

Three years ago I spent a little time in China and Japan endeavouring to study this particular problem. I think that the present trouble was then quite easy to foresee. I found Japan quite a different country from that which my imagination had drawn for me. I found the Japanese bold, fearless, vigorous and convinced of their own destiny. I found that, in the midst of all the modernity, the spirit of old Japan remained—the spirit of the Samurai. I found emperor worship, and the wonderful loyalty which it engenders to be a strong influence in Japanese life. In the instructions given to the Japanese teachers by the Japanese Board of Education there was a definite direction that they should teach the children that the Emperor was of divine origin, not as a matter of legend, but as a matter of belief, and that they were to remember at all times that the Japanese Constitution was peerless throughout the world. While I was there the chief delegate returned from the Naval Conference in London and was presented with a ceremonial dagger in order to commit hara-kiri as the only thing left for him after consenting to the restriction of the Japanese Navy. On the train in which I was travelling in Japan a distinguished Japanese naval officer, as a protest against the findings of the London Naval Conference, committed hara-kiri, somewhat untidily, in his sleeping berth. I am in no doubt that an early application of the sanctions in Article 16

[Mr. Mabane.]

of the Covenant of the League would have involved us at once in a war in the East.

It is not for me to elaborate the difficulties and dangers of such a war. My intense desire to avoid it is sufficient to convince me that the policy of the Government has been a great deal wiser than many people will allow. It would be a reversal of reason if we were to engage in a war to please the pacifists. But what I have said must not be taken to mean that I condone the action of Japan in Manchuria. I regard the intrusion of Japan into Manchuria as blatant Imperialism, at a time when Imperialism should be dead. I regard it as part of a determined policy to establish a vast Empire of the East, stretching from Java to Japan, of which Japan shall be the head. The immediate motive is one of commercial gain. Anyone who knows the present state of Japan knows that her financial condition is at present, and has been for some time, appalling. Japan is virtually bankrupt. The exigencies of finance have combined with martial ardour to start this campaign of conquest. There, in Manchuria, are the very resources which Japan requires. There is the iron and there is the coal. In Jehol there are vast undeveloped mineral resources. There is nickel. They are the things which Japan needs in order to make herself self-sufficing. The bait is tempting, and the urge to take the bait is overwhelming, especially as in Manchuria and in Jehol there is negligible opposition.

I protest against the notion that China is a nation or even a State. China was, within certain limits, a unit under the old Empress, but since her day it has been quite false to regard China as anything approaching a national unit. I believe that one of the major causes of the present trouble is the sentimental desire of many people to regard any familiar name on the map as a State. It is the principle of self-determination reduced to absurdity. But for the desire to regard the League of Nations as complete, China would never have been admitted to membership. I do not think China fulfils the qualification of a member State. There is there no Government capable of maintaining order throughout the length and breadth of the land, though I think I am correct in saying that is a necessary qualification for membership of the League. Perhaps it would have been better for the League to take China under its wing and develop it in accordance with the wishes and desires of the League.

There is no government in China. The sphere of influence of the Nanking Government is extremely limited. The Leader of the Opposition told us that the Ambassadors of the Nanking Government were accepted. They are accepted, because there are no others, and partly also as the result of that general sentimental feeling about China to which I referred a moment ago. Not so long ago we were talking about civil war in China. There was no civil war in China; there were merely a few bandit chiefs roaming about the country and carrying on until either they got their throats cut or acquired sufficient wealth to go to America to settle down. Before I went to China I wondered how their soldiers were paid. They were paid, I found, by the quite simple method of looting. I think it is true to say that in recent years civil war has been the most profitable form of industrial enterprise in China.

Equally I believe that there is not at the present time and there will not be any war in the Far East between the Chinese and the Japanese. It is not true to call it a war at all. There is nothing in the sense in which we in the West understand armies to prevent the occupation of Jehol by the Japanese. The only war which threatens in the Far East, so far as I can see, is a war that might be the result of the attitude taken up by certain Western Powers. Whether the Japanese can keep the annexed Provinces is a different matter; whether they can convert the primitive agricultural Manchurian to the modern and mechanical is another problem. But I think we ought to face the reality that at the present moment there is only one thing that could compel the Japanese to get out of Manchuria immediately, and that would be the armed intervention of Western Powers. Are we prepared to face that situation? Personally, I most definitely am not.

But though Japan may not be forced to come out of Manchuria immediately, there is possibly a chance that Japan may be forced to come out of Manchuria by a quite different method and perhaps as a result of exercising a little more patience—and here I differ very violently from the right hon. Gentleman the Member for Sparkbrook—and that is by the intervention or by the action of the League of Nations, by the application ultimately of the provisions of Article 16, by the application of the economic sanctions. For my part I regard the discussion on the embargo on arms and a general economic boycott as one and the same thing. That is why I desired the Leader of the Opposition to define what he meant by "armaments." In my view there is no one thing which can be sent from one country to another which to-day cannot properly be regarded as material for war in one form or another. Therefore, if we are discussing an embargo on armaments we are really discussing a complete economic boycott. The day may come when that will be the course of action to adopt, but the difficulties are not commonly comprehended. Before there can be an economic boycott there must be legislation. We cannot wave a magic wand, say "Abracadabra," and imagine that the economic boycott is forthwith established. Shall we adopt that legislation? I say most certainly that if the occasion arises, and if the League of Nations is with us, the answer ought to be, "Yes," for in my view the League has reached the point in its history when it must be logical or die.

The Japanese stand condemned by the League. At the end of the world War we set out to devise means whereby the world could be made safe for democracy, as the phrase then ran. The means devised were the economic boycott. Now, or in the near future, will be the chance to discover whether Article 16 works or not. If it works, then I think the world can look forward with some assurance to a period of peace; if it does not work, so far as I can see the world must despair. I would make but one condition, and that is that if we do consider the application of economic sanctions it is imperative that the United States of America should be with us. It would be impossible for us to attempt to apply sanctions without the adherence of the United States; but with the United States and all the other Member States of the League in concert we could set out to apply economic sanctions with some hope.

So far I have supported the policy of the Government in this matter, because I have seen the care which has been taken and the logic of the case. I believe that notwithstanding many criticisms directed against the Government and against the Foreign Secretary the country has realised the difficulties of the Government. It has now formed the conclusion that the time has come when the Government, having pursued its policy with care and caution, must depart from that policy of caution and embark on a new policy of boldness and resolve.

6.42 p.m.

Colonel WEDGWOOD: One of the difficulties of all speakers in this Debate is that at the end of their speeches the policy which they wish to have carried out remains as wrapt in mystery as it was when they began. I liked the speech of the hon. Member for Huddersfield (Mr. Mabane), but what does he want the Foreign Secretary to do? Perhaps I may be forgiven for speaking in this Debate, because I have a great many friends in China and Japan, and know both of those countries and Manchuria well. I would begin by saying that when I left Manchuria I had firmly fixed in my mind two facts which are as firmly fixed in the minds of all inhabitants of that country. The first is fear of the Japanese, because they are, perhaps, the best fighters in the world, and the second is the certainty that whoever rules in Manchuria the Chinese will go on multiplying and, like the China which, century after century, has absorbed her conquerors, will absorb the Japanese. A change of government makes no difference to a nation which has existed for 4,000 years, and has remained, almost pathetically, exactly as it was 4,000 years ago. The people of China and of Japan are delightful people. I had the privilege of knowing Sun Yat Sen, and I suppose I am one of the few persons in this country who believed in his doctrines. I had Japanese friends in my boyhood, I know the country and I love the people.

The Chinese have been treated for more than 20 years to something every bit as terrible as the 30 Years' War proved itself in Europe. A succession of war lords, sheer bandits, have tyrannised over the peasantry, robbed them, murdered them, and then killed each other. The Govern-

[Colonel Wedgwood.]

ment of China is not only no real Government but it is a terror to every Chinaman. As for the Government of Japan, it has a certain resemblance to the present Government of Germany. The speech of the right hon. Gentleman the Member for Sparkbrook (Mr. Amery) was right. The Government of Japan is a good, sound Conservative Government, with a thick stick always in its hand, and power behind it. If I were a Chinaman, I do not think that I should want to be governed by the Japanese, who have been pretty brutal in Korea and to anybody with Liberal opinions, which they label Socialist, in their own country. I do not think that they will be ideal governors of China, but I am not prepared to go to war with them. I do not think that any of my hon. Friends on these benches are prepared to do so. The British Government, either through the League of Nations or in some other way, should try to moderate the form of government imposed upon these helpless Chinese.

The real fact has not been faced by anybody. We are bothering about Jehol; surely the Committee must realise that it may be Peking to-morrow. There will be no Chinese in Jehol by the end of the week. The Japanese army is a machine which may go on. I have long since thought that the best fate that could happen to the Chinese people would be that they should surrender their autonomy to the League of Nations, to us, or to America, so that they should have somebody to enforce government upon them, and thereby deprive the Japanese of the perpetual excuses for going on and on, as we did in India. The only hope for the Chinese people is in the assistance that people who really wish them well, and have no desire to get anything out of their country, can give them. Goodness knows, we do not want to add to our Empire. Events have proved it over and over again. I would not mind assuming a responsibility, sometime when they ask for it in their own way, for protecting that magnificent people from an alien terror and from centuries of struggle against their new lords, and to give them the chance of establishing a civilized government which would maintain power and could maintain the doctrines of Sun Yat Sen.

6.50 p.m.

Major HILLS: The speech that we have just heard from the right hon. and gallant Gentleman the Member for Newcastle-under-Lyme (Colonel Wedgwood) was in excellent contrast to some that preceded it. I should have thought that anyone who spoke in this Debate would do so with a sense of responsibility. We are faced with war between two nations, towards each of which we have the friendliest feelings of very long standing, each of which is in possession of an ancient and a high civilisation and is certain to play a great part in the world's future; yet so many speeches in this Debate have regarded this conflict as a football match where you cheer one side or the other. The hon. Member for Caerphilly (Mr. Morgan Jones) cheered on the Chinese and abused the Japanese. If he had wanted to prove that the Japanese were in the wrong and had broken treaties, he wasted his time. After the speech of the right hon. Gentleman the Secretary of State for Foreign Affairs, there is no dispute. The world has made up its mind, and this country has made up its mind.

Mr. MORGAN JONES: There is a dispute. The right hon. Gentleman the Member for Sparkbrook (Mr. Amery) contraverted the whole position.

Major HILLS: I am coming to the right hon. Gentleman the Member for Sparkbrook (Mr. Amery) in a minute. If the hon. Member for Caerphilly tried to show that the Japanese received no provocation and that this was an ordinary case of one country invading the other wrongfully, he has against him the facts of the case, and the Lytton Report. I am always afraid of the pacifists—they are so bellicose. The enthusiasm for fight which exists in all of us will leak out, even in the pacifist. Whereas other people fight only under great provocation and in what they think are reasonable causes, the pacifist always seems to fight in the wrong cause and to use his force in the wrong place. Any talk of enforcing sanctions against the Japanese would involve this country in war. I welcome the speech of the Secretary of State for Foreign Affairs, and, above all, his last sentence, in which he said that under no conditions shall we be involved in war. So much for the hon. Member for Caerphilly.

I come now to my right hon. Friend the Member for Sparkbrook. I approach him very humbly as one of those conscious or unconscious hypocrites who believe in the League of Nations. I listened to him with very great respect. He used the word "realities" very often, and he pleaded for realities. Are treaties no realities? There is the Kellogg Pact and above the Nine-Power Pact. Are they not realities? They were signed by Japan. I should have thought that they were substantial realities. I should like to know what my right hon. Friend's realities are. He says that when Japan acts she pursues real politics.

Mr. AMERY: I said that we should not intervene in any country's affairs against its wishes.

Major HILLS: I am within the recollection of the House. My right hon. Friend's argument was "Leave Japan alone to do what she wants." Is not that the case? He suggested that force is the only thing that counts. Then he went on, rather strangely, to plead for honest foreign politics. Honest foreign politics which would start breaking every treaty that has ever been made. Japan has not broken her word once, but three times, and that has been found as a fact by 42 countries. I prefer to err with 42 countries supporting what my right hon. Friend calls "organised nonsense" rather than to be right with my right hon. Friend, even plus Siam. So much for that.

The right hon. and gallant Gentleman the Member for Newcastle-under-Lyne said, quite rightly, that we left our constructive proposals to the end of our speeches. I support the Government. I support them entirely. I support them in imposing an embargo now, and I support them in not confining the embargo to Japan. I support them in the attitude—if I understood the Foreign Secretary aright—that for us it may not be possible to discriminate between the aggressor and the Power that is the victim of aggression. Mr. Stimson has said in quite unambiguous words that the old idea of neutrality is gone. He said:

> "There is a general feeling amongst writers upon international law that the rule of impartiality in supplying arms, if it ever was generally accepted, is subject to criticism. There never was a right in the belligerent to buy arms."

He said in a previous part of that statement that if any comprehensive group of important States like the League of Nations mutually arrived at a verdict of embargo, the United States would accept it. We shall have to decide very shortly whether we are to go on refusing arms to both sides. At present, the Foreign Secretary is entirely right. He must consider that there is some remnant of the old law of neutrality left and that any other course might be construed as a breach of neutrality. I do not, however, think that it is the right thing for a country to do. I regard it as almost certain that the United States intend to support the embargo, and, from what Mr. Stimson has said, I believe that they intend to support also the supply of arms to the innocent Power and the refusal of arms to the aggressor. That can only be done internationally. It has already gone a long way, for the United States Senate has given the President the same power that we have under the Order in Council of 1931, to place an embargo by withholding licence if the export of arms would promote or encourage the employment of force, and after securing the support of such other Governments as he may deem necessary. That has not yet passed the House of Representatives, but I believe that it will pass, and so we are already a long way towards a general embargo. I believe we shall get the embargo, because the feeling is so strong. If you get the fact of 42 to one, even although that one is Siam plus my right hon. Friend, it does pretty clearly show that the feeling of the world is moving.

I believe that we shall see the embargo, and then we shall have to consider very carefully whether we should not take it further—supply arms to the innocent party and refuse them to the aggressor. I do not express any opinion on that. It is a matter which the Government have to consider very carefully. I listened with almost entire agreement to the speech of my right hon. Friend opposite—an agreement I often feel in spite of the fact that we sit on opposite sides of the House. If all this trouble had occurred 100 or 200 years ago, Great Britain would have gone in and run China to the immense advantage of the Chinese, and China would have been stronger and more of an entity. What

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we have to do is to try and get some body of opinion in China, with the necessary force behind it, to bring the country into unity, and give some chance for its success.

It may, perhaps, turn out that foreign aggression will do what internal quarrels have not done. It may be the case that the fact that China is attacked, and her unity threatened, may cause the Chinese to come together. My right hon. Friend shakes his head. He knows China, and I do not. Short of some general decision, like giving a mandate for China either to this country or the United States—a condition which seems to me practically impossible at the moment—I do not see any real hope for China. I do most earnestly think that the Government have acted entirely rightly in this matter, and I believe that they have got the future in thought as well as the present. We cannot settle the future; the future is in the hands of fate. I cannot believe that a great country like China will break up into small parts and be in perpetual chaos. People who know China well tell me that there is one feeling predominant in all China—North, South, East and West—and that is the sense of the unity of China. I believe that in the end that feeling will prevail.

7.5 p.m.

Mr. NUNN: I hope it may not be out of place for a modest back bencher to express agreement with the statement of the Foreign Secretary, as far as it goes. I feel that the resolve of the Government to keep out of entanglements in this matter of warfare in the Far East, and its resolve, at the present moment, not to allow arms to be exported from the country to either party are entirely right. I am not quite so happy when I look forward to the possibility of there being discrimination later on as to which of the contesting parties shall be allowed to receive arms. My feeling on that point is due to the fact that I do not think, whatever has happened in Geneva, whatever opinions have been expressed in this House this afternoon, that anybody really knows the true state of affairs in China and Manchukuo.

This is an extremely difficult question. It is true that the League of Nations has considered it, but, first of all, the League of Nations is hardly constituted as a court. It has not that truly judicial atmosphere. Its members may, perhaps, be filled with a burning and ardent desire to further the cause of world peace, but, at the same time, they are representatives of nations, representatives of certain national interests and national attitudes of mind. I do not think that you get a really judicial atmosphere at Geneva such as you would get in a court trying a great criminal or civil case. The judgment of the League of Nations, which we are bound to accept because we are tied to the League of Nations, is not necessarily absolutely right. It is based upon the Lytton report, and, although based on the Lytton report, it definitely places the blame for what has happened upon Japan. Now the Lytton report is pretty definite in drawing attention to the fact that there are many shortcomings on the part of China. If I may draw attention to it, there is one statement in the report which mentions the provocative attitude of the Chinese leaders both in Manchuria and in China in pursuing an increasingly nationalistic policy directed against the interests and rights acquired by Russia and Japan. It draws attention to that provocative attitude, and I think that provocative attitude did exist.

It is not unknown surely to Members of this House that for many years China has deliberately interfered with rights acquired quite properly and legally by Japan in Manchuria. Year by year she has built up her railways in direct antagonism to the railways which, after all, developed Manchuria and encouraged the immense Chinese immigration into Manchuria. The Chinese went to the length of building a rival port to Dairen with the deliberate intention of taking the traffic from the Japanese railways. I am no advocate of Japan. Hon. Members opposed to me made up their minds months ago that Japan was wrong. They smile, of course, now, because they think I am another Tory advocate of Japan. I am merely trying to face the facts, and the facts are that Japan has a great deal to be said for her before we pass judgment. Do we know, for instance, that there was no other movement behind the foundation of Manchukuo than the appearance of the Japanese forces? It was suggested in the report that the independence movement had not been heard of until the influence of the

Japanese troops was felt there. That is strictly not true.

We have to go back a little before we find out what was happening. We know of the big revolution of 1912 when Yuan Shih Kai was made first President. I am not referring to the interregnum of Sun Yat Sen. At that time the Imperial Family were not thrown off the throne. The President was appointed by Royal Edict. Yuan Shih Kai was a type of politician Members of this House might hardly accept as possible. We are so accustomed to Members who are so single-minded that we can hardly realise that in China there may have been a politician who was not single-minded, and who might even have been playing a double game. It appears to me that Yuan Shih Kai was a man bred in the old Imperialism. Undoubtedly, when he took office he did so in order to avoid what, to him, was a worse thing happening, and so that he might carry out his own idea of later on putting back the Imperial Family. I think there is little doubt about that. He died with his scheme unfulfilled, and I would draw attention to the fact that before he died he had actually made a movement towards establishing himself on the Royal throne, obviously with the intention of once again making the Chinese accustomed to a Royal occupant of the highest executive seat in the country.

When Yuan Shih Kai first became President there was a very solemn agreement —it is well we should think of a few agreements made by China—which was made by the Government of China with the young Emperor now known as Pu Yi. It stipulated that he should be given the right to maintain his residence in the Imperial Palace of Peking and have an annual subsidy. That agreement was honoured for a certain time. The independence movement might have been—it certainly was—known in 1919, and I think our Foreign Office may contain something about it. It was known that there was a definite monarchist movement. It was directed towards re-establishing the Imperial Throne. That is quite well known in spite of the fact that the Lytton Report says that the movement started only when Japanese troops went into Manchuria. In 1924 something happened. In that year General Feng Yu-sieng brought about a *coup d'etat* in Peking to establish a new Government, and since that time there never has been a Parliament in China. The so-called Christian general turned it out, and there never has been one since.

Those who echo the Lytton Report say the people of Manchuria were not consulted; the people of China were not consulted about what was happening in China. That new Government was set up, and one of the first things was that the agreement with the Emperor was torn up and his life was in danger. Before anything serious could happen Chang Tso-lin drove out Feng Yu-sieng from Peking. It is quite well known, beyond any question of doubt, that Chang Tso-lin had then repented of his republicanism, so much so that it is true an intermediary was asked to go to various foreign legations and get the agreement with the little Emperor reinstated. He actually approached the British, Dutch, Chinese and Japanese authorities. Before, however, anything could be done, Chang Tso-lin was driven out by Feng Yu-sieng, and once again the new Government was set up. The young Emperor was imprisoned. He escaped with the greatest difficulty to a hospital, from thence to the Japanese Legation, and from thence to Tientsin. From that time the solemn agreement with the young Emperor has not been kept. It is all very well to talk about agreements on the part of Japan, but what about agreements on the part of China?

After that, the idea of establishing the young Emperor on the throne of China in Peking was given up, and the ideas of the monarchists turned towards the ancient home of the Emperor's race, to Manchuria. It is said that Manchuria is an integral part of China, but it would be much more true to say that since the 1640's—I think 1644 is the actual year—China has been an integral part of Manchuria, and it was not to be wondered at that, when the monarchists began to gather their strength together, they looked towards Manchuria as the place where they should re-establish their Royal family in the midst of its own home surroundings. It seems to me extraordinary that, in a House which probably has more regard for liberty than any other Parliament in the world, and has certainly done more in helping to further the cause of liberty, some consideration

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should not be given to these people, who may, for all that we know, have been desiring to set up their own free Government in Manchuria.

I see that some hon. Members smile, but may I inform them of what happened at the investiture of the present Chief Executive of Manchuria? The ordinary investiture ceremony took place in the light of day. It was a more or less Europeanised ceremony. But, after it was over, seven leading members of the Manchukuo community and one leading Chinese general went into a private room and performed the old ceremony of the Kow-tow—the generation-old ceremony which has not been performed in China itself since the revolution of 1911. That is a very significant fact. Ceremonies do not play much part in Western life, but they play a very large part indeed in Oriental life, if I may be allowed to speak from my own experience. Another significant fact is that the title of the Chief Executive of Manchukuo means simply "One who holds the Government." It does not contain any word meaning "President." It is not the same term, for instance, as is used in connection with the President of China. It is entirely a provisional title, and it does seem to indicate that, when that Government was set up, it was set up with the intention within a few months, possibly a year, of establishing Mr. Pu Yi once again as Emperor on the throne of his old home.

I imagine that, had there been nothing more than the setting up of Manchukuo with the aid of the Japanese—certainly it could not have been done without their aid, and undoubtedly they took the opportunity of re-establishing something like law and order in that territory—the League of Nations would have had an easy task; but there has been this invasion of Jehol. Some hon. Members have spoken this afternoon as if Jehol was a province of China, but I would remind them that it is north of the Great Wall of China, and it is more an integral part of Manchuria than of China. The fact that General Chang Hsueh Liang is anxious to retain it is easily explained, because he draws the pay for his army from the opium revenue of Jehol, which is something like 2,000,000 taels a month. One can understand, therefore, his anxiety not to be driven out.

As I have said, I think it is extremely likely that, had there been no invasion of Jehol, the League of Nations would have had an easy task, and we should not be faced to-day with the very difficult question of whether or not we should encourage those who say that there should be discrimination with regard to the matter of the arms embargo. For myself, I think that there ought not to be any such discrimination. I am entirely in favour of an embargo, but I think that, if there is to be an embargo, it is not for us, on the evidence that we have before us at present, to say that that embargo shall be against one country only. We are taking a very grave decision. I think that the embargo should remain against both countries until we are absolutely certain, on more evidence than has been placed before us, that Japan has had no justification whatsoever for what she has done.

I should not like it to be thought that I am in any way antagonistic to China, or that I am standing here purely as an advocate of Japan. Anyone who knows anything about the Chinese, who has worked with them and has had close contact with them, knows what a wonderful people they are—wonderful in character, with all their drawbacks, and most wonderful of all in energy and industry. Anyone who knows them desires that they should have a history which, if different from their great past history, shall at least be as great. Although in what I have said I may seem rather to have sided with Japan, that is because I believe that the only hope for China lies in some realisation of the realities of this case, in getting this war stopped, and in getting Japan and China for once together on friendly terms. In my opinion, the only way in which that can be done is by the League of Nations delegating to three Powers, America, France and this country—who, after all, are the only Powers that have any great interests in or have had any great contact with China—the business of settling this dispute. To my mind it is a thousand pities that ever this matter came into the light of publicity. It is a thousand pities that ever it was discussed at Geneva. If the League of Nations had at the very start delegated the work to these three Powers, we might have been here to-day, not facing what may be a terrible disaster in the Far

East, but congratulating ourselves that once again China had been set on the road towards that prosperity to which she is entitled.

7.23 p.m.

Mr. COCKS: The hon. Member for Whitehaven (Mr. Nunn) has given us a very interesting disquisition on modern Chinese history. I might, perhaps, be able to supplement it in certain particulars, and to put rather the other side of the picture which he has painted in such a fascinating way. I do not propose to do so, because I think that the whole question of the grievances of China against Japan, or of Japan against China, which occurred before September, 1931, is really irrelevant to the purpose of this Debate, since all those things have now been adjudicated upon. They have been judged by the Lytton Commission, and the Report of the Lytton Commission has been accepted by the League of Nations and by the British representative on the League. It seems to me, therefore, that to go behind the Lytton Commission and to discuss the grievances which one country has against another and which have been investigated by the Commission, would merely be to confuse counsel in this Committee. For example, the hon. Member for Whitehaven referred to one grievance which he said the Japanese had against the Chinese. He said that the Chinese in Manchuria had started a port in rivalry with their railway line. But the point is that Japan never at any time brought that grievance before the League of Nations, as she was entitled to do.

Mr. NUNN: I am sorry to interrupt the hon. Member, but may I point out, in order to balance that fact, that China never brought before the League of Nations the fact that the Russians had swallowed up Eastern Turkestan, and that for the last four or five years Mongolia has been entirely under Russian influence?

Mr. COCKS: That seems to me to have nothing to do with the question. If China had a grievance regarding Turkestan, she has neither submitted it nor acted upon it. The point is that, in the particular case of Manchuria, Japan said that she had certain grievances against China, but, instead of bringing them before the League of Nations during the last few years, and asking that the League should adjudicate, she has waited until the moment suited her and then has taken the law into her own hands, as the Foreign Secretary said. Surely, that is the short answer to the hon. Member's argument. In the discussions which took place at the League in the autumn before last, on the question of the interpretation of the different Treaties affecting the position in Manchuria, Japan refused definitely to allow those Treaties to be examined by the League, although China offered more than once to put all the Treaties forward for examination by the League, and said that she would accept the interpretation placed upon them by the Court at The Hague. Whatever grievances Japan might have had—and I do not deny that she may have had grievances—she has put herself out of court by not taking advantage of the international organisation of which she was a member, and not merely a member, but an original member, and a member of the Council. She has ignored the League of Nations all through, and she has only herself to blame, therefore, now that the verdict of the League has gone against her in regard to her actions in the past two years. As I have said, to go behind the report of the Lytton Commission, which has now been accepted by the League, is to darken and confuse counsel.

I want to address myself to three points which I think are of the utmost gravity, and which are relevant to this Debate. The first is the position of the present situation in the Far East so far as it affects the security of the British Empire. I hope that the right hon. and gallant Member for Ripon (Major Hills) will not accuse me of being a bellicose pacifist if I say that I think it is our duty, as a British House of Commons, to consider the situation from that point of view as well as from others. The second point that I want to mention is as to the way in which this position affects the general situation in Asia; and, thirdly, I want to say something about how this situation affects the sanctity of international obligations, as bound up with the maintenance of justice, of security and of peace throughout the world.

In the first place, those Members, including the right hon. Gentleman the

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Member for Sparkbrook (Mr. Amery), and to some extent the hon. Member who has just spoken, who have come to the House to find excuses for Japan, have forgotten that both the United States and ourselves are suffering from a very great grievance in the fact that Japan has broken the Washington Treaty, sometimes called the Nine Power Treaty, of 1922. That Treaty was drawn up expressly to prevent such a situation occurring as has occurred now. It was a Treaty of self-denial. By it the Powers who signed it—and the principal Powers affected are, of course, Japan, ourselves and America—agreed that they would not take advantage of the condition of China, which they admitted at that time was not a country remarkable for ordered Government and was going through great difficulties. On the contrary, they would respect its Sovereignty, its integrity and its independence. It was a solemn Agreement signed by these three Powers and six others. On condition that Japan signed that Treaty, America and England agreed to hand over to Japan naval and military supremacy in the Far East, which it did not at that time possess.

Because we trusted the Japanese word to keep the Treaty, it was agreed that we would not fortify any position East of Singapore and that the United States would not fortify any position West of Honolulu. Because we trusted the Japanese word we have left Hongkong undefended and America has left the Phillipines undefended and also the Island of Guam, where she was going to build a naval station in the Pacific. Because we trusted the word of Japan that she would only use her forces in accordance with international obligations—the Nine Power Treaty, the Covenant of the League of Nations and the Pact of Paris —we have left our long coastline of Australia absolutely unprotected and we have handed over absolute naval and military supremacy to Japan, but only on condition that she would not use that supremacy except when allowed to by the obligations that she had signed. That was the obligation that Japan gave and that was what she got in return from America and from Britain, and she has taken advantage of that for 10 years to build up her military power, to accumulate oil and munitions and to prepare for the conflict which the militarist party were determined to undertake. She has taken advantage of the terms of that Treaty. She obtained her naval supremacy by these means and, when the hour arrived, she struck. She broke her word. Her international obligations have been torn apart, the boasted honour of the Samurai is lying in the dust. When that Treaty was signed, the American delegation reported upon it to the President. This is what their report said:

> "It terminated the Anglo-Japanese alliance and substituted friendly conference in place of war . . . from any controversies that might arise in the region of the Pacific . . . limitation and reduction would not have been possible without the new relations established. . . . The new relations established could not . . . inspire confidence . . . without a specific understanding as to the relations of the Powers to China."

Now that the Treaty has been broken, we know from America that it is certain that the whole question of the naval position and of military fortifications in the Pacific will have to be reopened instead of being closed as they were 10 years ago. That is a very serious prospect for all lovers of peace and of international order.

What is the effect of the present position in the Far East going to have upon the whole of the Continent and the people of Asia? If Japan is able to flout the League of Nations and the whole world, and, having done that, is to proceed to the military conquest of Manchuria and Jehol, what is the effect of that going to be upon the millions of people throughout Asia? They will see an Asiatic Power taking the lead in China and perhaps formulating, as we hear from Tokio some are contemplating, a Monroe doctrine for the Far East. If Japan obtains Jehol, she will be in a position to dominate the whole of Northern China. If she seizes Jehol, she will hold the mountains overlooking the Northern Chinese plain and Peking and Tientsin, in fact the whole of that Northern Province, will be within her grasp.

When we are considering these points with the gravity that the position deserves and in fact insists upon, we must consider what are the views and what is the policy of the Japanese Imperialists and militarists who are behind it. In doing that I should like to associate myself with the Leader of the Opposition when he said that we who think in this direction have no enmity at all to the Japanese people. In fact, we Western nations owe them a debt for accepting the blessings of Western civilisation in the form of guns and armour and battleships and so on in place of the artistic and beautiful life that they lived in past ages. Only 18 months ago General Honjo, the General in command of the Japanese forces in Manchuria, said, according to a report which appeared in a journal circulating in China, that the plan of the Japanese expansionists, with which he was in agreement, was to occupy not only Manchuria but Mongolia—and they are moving in that direction at present—to dominate China, to become the supreme Power on the Pacific and then, with all the mineral wealth that she would have at her command—because Japan is deficient in minerals—she would be able to be the dominant Power in Asia, she would be able to carry out her great ambition of seizing the Philippines, the Dutch East Indies, Australia and Singapore, driving America back beyond Hawaii and England beyond Singapore.

In saying that, he is only repeating in other words the words of the well-known Tanaka memorial. I was reading the other day a book called "Manchuria, the Cockpit of Asia." The author gives extracts from this memorial. In June, 1927, a conference was held in Tokio attended by civil and military officials connected with Manchuria and Mongolia. It has been suggested that it was called to see how the situation created by the Nine Power Conference could be circumvented. The outcome was a memorial presented to the Emperor by Baron Tanaka, who was then Prime Minister of Japan. It said that the restrictions imposed by the Nine Power Treaty reduced Japanese special rights in Manchuria to such an extent that there was no freedom for the nation. It goes on to say:

> "To safeguard ourselves . . . Japan cannot remove the difficulties in Eastern Asia unless she adopts a policy of blood and iron. In carrying this out, we have to face the United States, which has been turned against us by China's policy. . . . In the future, if we wish to control China, the primary move is to crush the United States. . . . But to conquer China we must first take Manchuria and Mongolia. If we conquer China the rest of the Asiatic countries and those of the South Seas will fear us and surrender. . . . The way to gain actual rights in Manchuria and Mongolia is to use this region as a base and, under the pretence of trade and commerce, penetrate to the rest of China. Armed with the rights already held, we shall seize the resources all over the country. With the latter at our disposal we shall proceed to conquer India, Asia Minor, Central Asia, and even Europe."

There is no doubt that this Memorial, which has been in print for some years without being contradicted until quite recently at the League of Nations, when the Chinese Delegate brought it up before one of the meetings, and the Japanese representative professed to scoff at it, represents the views of a large body of Imperialists and militarists in Japan. That, therefore, is a factor which we ought to consider, because it means, if Japan succeeds in her endeavour, if she is not checked by the League or by the world, if she proceeds to dominate China in that way as a result of flouting the League of Nations, she will become the greatest menace that our Empire has ever known, because it will be a menace directed at the very weakest point in our long chain of communications, the Pacific, the point furthest away from the home country, directed against our possession of British Columbia, Australia, New Zealand and Oceania. Imagine the effect upon the millions, in India and other Asiatic countries of such action succeeding! I say that with the utmost gravity. These are things that we ought to ponder over and over again.

The third point that I want to mention is the effect of the present position upon the whole structure of international peace and security. The Under-Secretary of State for Foreign Affairs is at Geneva, and the Foreign Secretary paid a very well-deserved compliment to his work. But he is over there working for disarmament. Recently there he was meeting the French suggestion, which was, that she could not disarm unless she obtained security. It was only behind the shield and rampart of full security that France would agree to disarm. The Under-Secretary of State, in the name of the British Government, said that the British Government was not prepared to extend the obligations she had already taken upon herself, and he went on to say that we already have a certain amount of security; that we have undertaken certain obligations which will give a certain amount of security which he thought

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would enable the nations to disarm. He mentioned the Locarno Treaty, the Pact of Paris and the Covenant of the League of Nations, and he said we had signed all those and surely they would give such security as would enable some measure of disarmament to take place.

What will France now be able to reply? She may very well say "We understand your interpretation of the Covenant of the League of Nations and the Pact of Paris is that 'We will consider the question for many months and will finally inflict upon the power which is the aggressor the moral condemnaton of the world,' but as for the Power which is disarmed or weak we will refuse to give her any means to defend herself." That is the effect of the statement we have heard to-night. It would be the effect if it were the final statement the Foreign Secretary was to make on this subject. I hope that it is not. That would enable France to reply "Your basis of security is nothing. If that is all the League of Nations or the Pact of Paris means, we are going to continue the policy of defending ourselves, and building up armaments. We find international sanctions are useless to prevent an invasion and so shall go on and on in the way we have done in the past building up our Army, Navy and Air Force and refusing to reduce our forces by a single ship or aeroplane or submarine." That is what France will say—and I think will say with justice—if the last word of the League of Nations is what we have heard to-night. It is a curious thing when one talks about the Pact of Paris to remember that the Prime Minister of Japan came over here two years ago—not the present Prime Minister but the Prime Minister at that time Mr. Hamaguchi—and that when he signed the Naval Treaty said:

> "It was clear that any breach of the Kellogg Pact must rally all against the aggressor, and whether other Powers offered active help or not, it was hardly conceivable that they would allow the pledge-breaker to interfere with their trade or enjoy the other privileges of a lawful belligerent."

He went back to Japan and was assassinated by the Japanese militarists, as so many statesmen have been assassinated in Japan in the last few years. We know that the present Government in Japan has been carried into power because more moderate statesmen have been murdered in the most brutal way. It is no good closing our eyes to that fact. We have heard this evening about Mr. Stimson and what he was prepared to do about an embargo on arms. This is the point in the statement of Mr. Stimson which I commend to the Committee. He said:

> "Much of the old conception that neutrality is a possibility has gone in the modern world if large nations are involved in war."

It was a statement which was carefully thought out by him because he made, as the Foreign Secretary knows, a very important statement to the same effect a year ago, that absolute neutrality in the modern world is impossible. It is all very well for the Foreign Secretary to say here that no consideration whatever will allow this country to be dragged into the present war. How does he know? How does he know that war may not develop? It is impossible for nations nowadays to go back into a state of splendid isolation. If you take up that attitude your work of building up a system of pooled security has disappeared and you must go back to the old alliances and balances of power of the old days which, sooner or later, will end in war. I am not at all satisfied with the declaration that we must simply put an embargo upon arms to China and Japan. Japan has been declared the aggressor and is well supplied with ammunition and guns. China we know does not manufacture her own ammunition, and therefore to put an embargo on arms sent both to China and to Japan is in fact to help Japan, the aggressor and the nation condemned by the League. I do not forget the difficulties of one country acting alone placing an embargo only upon the arms sent to one of the two countries. I realise that Japan has the command of the seas in the East which we formerly had, which has been given to her by the Nine-Power Treaty which she has broken, and owing to that fact she is in a position to intercept ships filled with arms. That might lead to conflict and to war. I understand that difficulty.

Sir J. SIMON: Is that what you recommend?

Mr. COCKS: I have said that I understand that difficulty.

Sir J. SIMON: And I now ask you, Is that what you recommend?

Mr. COCKS: I was going to go on——

Sir J. SIMON: I apologise for interrupting the hon. Gentleman, but he said that he was not satisfied with the idea of the decision by this country that we should stop arms to both sides, and I gathered that his view was that we ought to send arms to one side and not to the other. If he thinks so, does he realise what the consequences will mean? I respectfully ask him, Is that what he recommends?

Mr. COCKS: The right hon. Gentleman always puts his points so courteously that I have not the slightest objection to the intervention. I was going to go on. I said that I understand the difficulties in the way, and I was going to say "but." We ought, as it has been suggested, to communicate with the Chinese Government and point out the position to them. I do not see why in any case there should be an embargo on any arms sent to her otherwise than by sea. For example, fleets of aeroplanes could go out there and not touch the sea. Aeroplanes could be sent to China which would be very useful in helping her to defend herself against this unjust attack, and they could go in various ways to China without going near the sea. The Secretary for Mines shakes his head. I know that he knows a great deal about things under the earth but I did not know that he is an authority in the clouds. I think that that could be done. Anyhow, a distinction of some sort should be made. I realise how grave is a situation like this, and yet I feel that in making the declaration which the Foreign Secretary has made and leaving it there we are not doing sufficient to defend the nation which has been attacked against the nation which has been condemned. Therefore, we should use every effort to obtain some arrangement between the nations, members of the League and the United States to place certain embargoes on goods going to Japan or bringing pressure in various ways which would put her at a disadvantage.

It is not enough just to keep the ring. For example, on the question of finance all loans should be forbidden to Japan, and she should be given no power to raise money in other countries, that is if agreement can be arrived at between all the countries concerned, including the United States. Judging from the letters of Mr. Stimson, America is quite willing cordially to co-operate with the League in certain measures of that sort. There is a question of not sending to her cotton, nitrates and various things used in warlike material. By that I do not mean a blockade of her shores but the prevention of these materials leaving the ports of the nations agreeing for Japan. I think that we ought also to repeat again the declaration already made, that no conquests made by Japan as a result of proceeding with an illegal war will ever be recognised by the League or by America. Let us reflect for a moment upon the obligations into which we have entered. Article XVI says:

> "Should any member of the League resort to war in disregard of its covenants under Article 12 . . . all other members of the League . . . hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant-breaking State. . . ."

It may seem very drastic. It may not be wise to put it into operation all at once. But we must not ignore that obligation. It is a serious international obligation and if we ignore it we shall put ourselves in the same position of a lawbreaker as Japan. We must see to it that the obligations of the Article are carried out in the spirit if not in the exact letter of the law. If these international obligations are not carried out—I agree with the right hon. Member for West Birmingham (Sir A. Chamberlain)—I see nothing before the country and the world but disaster.

7.57 p.m.

Mr. R. LAW: I should not have ventured to detain the Committee had it not been for a remark dropped by the right hon. and gallant Gentleman the Member for Newcastle-under-Lyme (Colonel Wedgwood) in the course of his speech in reference to the speech of the right hon. Gentleman the Member for Sparkbrook (Mr. Amery), who I am sorry is not in his place, as I should like to say something about his speech. He said that it was an example of good sound Conservatism. I could not have slept peacefully in my bed to-night if I had not got up and said that so far as I am concerned it seemed to me to be an example

[Mr. Law.]

of extremely bad, unsound and dangerous Conservatism. As the right hon. Gentleman the Member for Ripon (Major Hills) pointed out, the right hon. Gentleman the Member for Sparkbrook made a great deal of play in the course of his speech with what he called realities. I have always noticed that when people talk a great deal about realities they do, in fact, give vent to a number of highly controversial statements and enunciations on the theories which they hold. Such it seemed to me was the case in the speech of the right hon. Gentleman the Member for Sparkbrook. But there was, in particular, one fallacy which he expressed, and that was in his attitude towards this Debate. He seemed to regard the Debate, as has already been said, as a kind of football match in which it was necessary for every Member who spoke to cheer violently one side or the other, and he chose to cheer the Japanese.

But that is not the consideration which principally weighs with Members to-night. We all must have views about the rights or the wrongs of the quarrel in the Far East. I think that most of us feel that the Japanese have put themselves into a very awkward moral position, but, on the other hand, they have been very seriously provoked. What concerns us to-night is really something far more fundamental than that. It is nothing less than this. In the last 20 years there has been gradually growing up in the world a new idea of international relationships, a new idea of the kind of law which should govern the relations of the various civilised States of the world; what the right hon. Member for Darwen (Sir H. Samuel) described as a new world order and a new conception of neutrality. That new world order, which had been gradually growing up ever since 1914, has been and is being threatened by what is happening in the Far East to-day, and the question that we must first ask ourselves is this: Is the policy which the Government are pursuing likely to help in maintaining that new idea which has been growing up, or is it likely to result in weakening it? It is true that the Government have not taken up arms to maintain the new world order and that they have so far managed to avoid any course which is likely to end up in our having to take up arms on behalf of that world order.

The hon. Member for Broxtowe (Mr. Cocks) pointed out that it was impossible to guarantee that we should not be involved in very serious trouble in the Far East. That is true, and the only thing that we have a right to demand of the Government is that they should take the course which is least likely to embroil us in trouble in the Far East, and on that point we must admit that they have taken the safest course. In listening to the statement of the Foreign Secretary, it seemed to me that the Government have done more than just play for safety. At this moment the Under-Secretary of State for Foreign Affairs is at Geneva trying to see what can be done in order to give some kind of reality and force to the decision come to by the League. Throughout the whole trouble the Government and the Foreign Secretary have done everything they could to back up the League. From the point of view as to whether the Government are doing all that is possible to support the new world order, of which the League of Nations, the Kellogg Pact and the Nine Power Treaty are the outward signs, I believe that they are doing everything that they can.

There is one further consideration which must be in our minds, and that is a sentimental consideration, the consideration that war is in itself horrible and dangerous, dangerous not only to the physical bodies of those who participate in it but terribly dangerous to the whole structure of our civilisation. From that consideration there arises a secondary one, that since war has become of such great danger to us, it is indecent in any civilisel country to do anything to encourage wars and, even worse, to make profit out of wars. The statement which the Foreign Secretary made this evening has reassured a great many of us on that point. Whatever power we may have to encourage international action to settle the trouble in the Far East, we can be assured that our own hands are in this particular matter clean. I am sure that the statement made by the Foreign Secretary will be received not only by the Committee but by the country and the world with a feeling of the most profound relief, and I believe that by his statement he has set an example to the world which will be very rapidly followed.

3.4 p.m.

Mr. MANDER: I do not propose to attempt to retry the case that was decided at the Grand Assize at Geneva, with unanimity, only last Friday. Some hon. Members, two hon. Members, I think, have tried to go over the matter again and to suggest that the wrong decision was arrived at. It is a strange world, and it may be that the right hon. Member for Sparkbrook (Mr. Amery) and the hon. Member behind me are right, and that the 42 members of the League of Nations were wrong, but I am inclined to think that on the whole the decision arrived at was the right one, that it is a final and just decision, and that it will stand for all time. The right hon. Member for Sparkbrook made a violent attack upon the whole foreign policy of the Government. I want warmly to congratulate the Government on the part they have played in persuading the members of the Assembly of the League to arrive at that historic, dramatic decision a few days ago, a decision which is bound to be a precedent for all time and will have a very great effect for good, whatever happens in this particular dispute, through all the decades and centuries to come.

I congratulate the Government all the more because I did feel and I still feel that they, in common with the other great Powers, showed on the Council of the League at the beginning of this dispute, before there was any question of the Lytton Commission, lamentable weakness, feebleness and unwillingness to face up to the situation. If they had then shown the same firmness of decision that they have shown to-day, this terrible story might never have been told during the last few months. However, the situation fortunately is a satisfactory one at the moment from the point of view of the League. It is significant and very interesting that it was the representative of Belgium who took the chair when the decision was arrived at last Friday when the League, for the first time, expressed its opinion as to what it thought of the action of another member in endeavouring to tear up an important treaty as a mere scrap of paper.

The complaint that one has is not against Japan as such, it is not that we fail to recognise the grievances and rights of Japan, but entirely and solely that she has gone the wrong way about trying to get them put in order. If she would only consent to accept the guidance of the League and act in a spirit of co-operation, she would have no better friends in the world than the people of this country and the other members of the League. I am very glad to note what has been said by the Foreign Secretary to-day, that we do not regard the unanimous decision of the Assembly as being the end of the matter. The Japanese, of course, would be delighted if we would take that view, content ourselves with the Resolution, and take no further action. It would suit them entirely, because they would be able to do exactly what they want to do.

The Government feel, quite rightly, that there is a great deal more that can and should be done and they have taken certain measures already. It is necessary for us to take all the steps in the way of economic and moral pressure that we can possibly bring to bear upon Japan during the next few weeks and months, and I am glad to hear that the Government are making an international effort at Geneva, where the Under-Secretary is playing an admirable part, in trying to arrange for simultaneous action on the part of all the nations of the world, I hope not only in regard to armaments but financial support and other methods to which I should like to refer. It will be realised how enormous are the difficulties and the great obstacles that will have to be faced in dealing with a new situation of this kind. There are armament-mongers in this and other countries. I might give one little passing example of the sort of influence that is brought to bear, by recalling the fact, which was disclosed in this House some months ago, that an English armaments firm, Messrs. Vickers, advertised in a German military paper the sale of tanks—armaments which are forbidden to Germany under the Treaty of Versailles. That is an example of the efforts that will be made in opposition to the embargo on the export of arms by armament firms all over the world, who will see a threat to their interests in a development of this kind.

I am sure that the decision announced by the Government in regard to the prohibition and importation of arms must obviously apply not only to the Far East but to the two disputes that are going on in South America, and I would ask the

[Mr. Mander.]

representative of the Government who may reply if he will be good enough to state specifically whether the export of arms will be prohibited equally to Bolivia, Uruguay, Peru and Colombia. We may not have arrived at the stage of a decision by the Assembly on that point, but some indication might be given as to whether we are not equally committed to taking similar action in any other part of the world where a similar situation may arise. Reference has been made to the widespread nature of munitions of war, and I hope the Government, in putting forward their proposals for international consideration, will include such articles as oil, cotton, nitrates and others which are essential to the manufacture of munitions by Japan.

The Foreign Secretary made a historic announcement this afternoon when he said that the Government had decided not to allow the export of arms to either party. I would say, first of all, before venturing to criticise, that that is in itself a very fine gesture. It was just 100 years ago that we in this country made another great gesture when, regardless of what other countries were doing, we decided that slavery should cease to exist anywhere inside the British Empire. The Foreign Secretary is familiar with the whole of that story, and it is not unfitting that it should be he who to-day should announce another great gesture by the Government of this country. If the decision that has been announced by the Government is to be regarded purely as a temporary emergency decision, there is a great deal to be said for it and we can support it, but if it were to be for a moment considered as a permanent settlement of this question of the export of arms, it would be grossly unfair, it would be intolerably unjust to China, and would be taking the side of the aggressor against the State that had been attacked, for the obvious reason that Japan is in a good position to manufacture armaments and China is not. I hope, and I take it as certain, that the intention of the Government is to regard it as an emergency measure and that they will use all their efforts during the next few days or weeks to come to bring about some general international settlement that will give fair play to the State that has been attacked and not to penalise her, as she would be seriously penalised by permanent action on these lines.

There has been some discussion about the attitude of the pacifists. I do not take up the attitude of the pacifists and say that under no circumstances should force be used. We live in an unruly world and just as we have to employ the police inside the State, so we want something in the nature of a force of international police, an armed force at the present time, to control the people of the world. The only justification, to my mind, for the use of force in the future—I do not suggest it in this case—is the maintenance of the authority of the League of Nations. I can imagine a war for the maintenance of the Covenant of the League against an aggressor to be a perfectly justifiable and proper war, but I do not think that military action of any kind could be used with effect, or should be used, in the particular dispute we are considering at the moment. There are other weapons which are far more effective and far less dangerous. In confining our attention so much to the question of the export of arms we may lose sight of the fact that the military issue may be decided in two or three weeks. Certainly it is not going to take very long, and by the time an embargo on the export of arms could be carried into effect here, or elsewhere, the military issue will be decided. We have to think of the sort of economic pressure we can bring to bear throughout the months, and it may be years to come, and so drive it home to the Japanese Government and people that they must really play the game and that they can only get their wishes carried out effectively, their reasonable wishes, by going the world's way, and not along their own path of naked brutal selfishness.

In this connection, let me call attention to the various things we may do, to the obligations under which we already rest in this matter. Reference has been made to Article XVI, and it is so important that I ask permission of the Committee to read it once more. Article XVI is not, of course, in operation because technically there has been no declaration of war, but at any rate in spirit it is in operation. It says:

> "Should any member of the League resort to war in disregard of its covenants under Articles XII, XIII, or XV, it shall *ipso facto* be deemed to have committed an act of war

against all other members of the League, which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant-breaking State, and the prevention of all financial, commercial or personal intercourse between the nationals of the covenant-breaking State and the nationals of any other State, whether a member of the League or not."

This may be considered very far-reaching and undesirable, but it is the law of the world, to which we have put our signature and we cannot depart from it. The Foreign Secretary stated some time ago that the Government adhered to all their obligations under the Covenant, and a few days ago I put to him this question:

> "whether the Government adhere to Annex F of the Locarno Treaty defining our interpretation of the obligations of Article 16 of the Covenant as meaning that each State member of the League is bound to co-operate loyally and effectively in support of the Covenant, and in resistance to any act of aggression to an extent which is compatible with its military situation and takes its geographical position into account?"

And the Foreign Secretary in reply said:

> "Yes, Sir, they do."—[Official Report, 15th February, 1933; col. 979, Vol. 274.]

That makes it perfectly clear that the Government binds itself in honour to carry out the obligations to which we have set our hands. The question now is: What is the most effective way to do these things? Fortunately, the situation is very much easier than it has been on previous occasions because we have the sympathy and practical co-operation of the United States, which is of infinite value and supreme importance, and available now more readily perhaps than would be the case at any time in the future. At the Assembly of the League of Nations in 1921 they gave careful and detailed consideration to the question as to how Article XVI could be put into operation when the necessity arose, and they passed recommendations and resolutions on the subject. On the 4th October, 1921, they decided that a number of steps may be taken. Some of them have been referred to to-day. Lord Lytton, whose services in connection with this matter one cannot praise too highly, has recently expressed the view that there are three things which might be done at the right moment—two of them have already been referred to—the question of the export of arms, the withholding of financial assistance, and, thirdly, the withdrawal of Ambassadors, which has not yet been referred to in this Debate.

It might be thought that a measure of that kind would not be very effective, but those who know the Japanese nation best, and who realise what a proud and sensitive nation they are, take the view that the spectacle of all the Ambassadors and Ministers simultaneously leaving Tokio for their own country would create a profound impression in Japan, and would do more than anything else to make the Japanese people, from whom I believe the truth is now being withheld, realise what is thought of them by the rest of the world and how morally isolated they are from the good will and sympathy of the nations. I hope that international consideration will be given, together with these other matters, to the possibility at the right moment of a dramatic measure of this kind, to play its part along with the other proposals which have been made.

In regard to the question of imports and exports many hon. Members regard exports from foreign countries as being undesirable things and, therefore, there should not be much difficulty in persuading the House that in certain circumstances exports from a defaulting country into this country are undesirable. It certainly may be possible as an economic Sanction to consider the question of refusing access to British or other world markets to goods coming from a country that has been found in default by the unanimous decision of the League of Nations.

These are simple, practical questions, although, obviously, in carrying them out there are enormous difficulties; but they are simple propositions and have been considered by the most authoritative body in the past, the League of Nations, and have been pronounced as being possible and practicable. They are alternatives to military action and are obviously infinitely preferable to anything of that kind. I have no doubt that the Government will give them the most serious consideration.

Let me deal with one more aspect of the matter. It may be that the world will find the task too great. I am wondering whether it is not possible for the International Trade Union movement

[Mr. Mander.]
to consider the practicability, in certain circumstances, if they have the power through their organisations to lay down and carry out a policy which would make the handling of munitions for a defaulting State impossible, and prevent goods being carried to any destination of that kind. It is a matter that I have no doubt will be considered, and while there are difficulties there too, it certainly is not outside the bounds of possibility and may possibly fit into the picture in some way.

I was reading yesterday in a Sunday newspaper an article that seemed to me strangely to misjudge and misrepresent the position before us to-day. The question was asked in that article, " What has Jehol to do with Southwark or Chao Yong to do with Salford ? " I venture to say that it has everything to do with the people of this country. If naked force is to be allowed to triumph in the world once more, then the new planned order of peace that has been erected with such infinite pain and trouble since the War, will lie scattered in the dust, and there will be no hope for the Disarmament Conference, no hope for the World Economic Conference, no hope for a return to prosperity in this country, and no hope for the 3,000,000 of unemployed who are now scattered about our towns and cities. This question affects most vitally every household in the land, whether as citizens or as workpeople or as potential soldiers, and I trust that the Government will act with all their courage and determination, knowing that they will be backed by the overwhelming support of public opinion.

8.27 p.m.

Brigadier-General NATION: I dare say it will be wondered why one who has spent the greater part of his life in the service of arms should put his name to the Motion on the Paper in the name of the hon. Member for West Leeds (Mr. V. Adams). I will quote the words of a very distinguished Field-Marshal who died last week, who saw war in every phase and in many countries, and who on a public platform said more than once that war was " a mug's game." I agree entirely with that sentiment. I must say that until quite recently the declarations in this House regarding the situation in China had rather filled me with anxiety. I was afraid that there was to be too much delay before any action could be taken by our Government. The Government were elected with an enormous majority to carry out two main objects in which this country is particularly interested. One was the reduction of unemployment, and the other was to maintain the peace of the world by disarmament or other means. I shall say nothing about unemployment to-night, but with regard to disarmament I must say that during the time the Government have been in power there has been little or no sign of anything taking place except with regard to our own force. No other nation has disarmed, whilst we are reduced to the point of danger.

We who sit on the back benches here have supported the Government loyally throughout the time we have been in Parliament. Recently we have been getting a little anxious because so little progress has been made on the two subjects to which I have referred. We are hoping that something more practical, something more concrete, will emerge before very long. I am glad to say that the speech to-day of the Secretary of State for Foreign Affairs has completely restored my confidence. If the Debate had ended with that speech I am sure the effect in this country and throughout the world would have been greater than it can be after the raising of the more or less confused issues that have been brought forward by other speakers.

I am sorry that the right hon. Member for Sparkbrook (Mr. Amery) took up the attitude he adopted to-day. Although he and I are in the same party it is an attitude to which I cannot subscribe. I cannot conceive that either this House or the people at large would countenance our supporting one side or the other in this Far East conflict. Our position should be that we have nothing to do with this war, that we will not support either side morally or with arms. While our own forces are cut to the bone we could not in any circumstances provide arms for other nations to fight with. I am completely satisfied with what the Government have done, and if I may do so I would humbly wish to congratulate them on the very fine statement made by the Secretary of State for Foreign Affairs to-day.

8.32 p.m.

Sir GEORGE GILLETT: I think the Government will not have very much of which to complain in the Debate that has taken place. Unlike the last speaker, I am rather glad that we had the speech of the right hon. Member for Sparkbrook (Mr. Amery), although personally I do not agree with the right hon. Gentleman. I believe, however, that he has voiced the views of a certain number of men and women whom one meets in daily life and who go about saying, as the right hon. Gentleman practically said, that the days of the League of Nations are more or less numbered. I entirely disagree with the views which the right hon. Gentleman expressed. He seemed rather proud of them as the views of a man who was really looking at the difficulties. He talked in a rather patronising way of the pacifists and, I gathered, the faddists at Geneva and in Downing Street, who believe that the world can be remodelled on anything different from the old lines to which we have become accustomed. I do not look upon the right hon. Gentleman as a realist; I look upon him simply as a pessimist. That is really the view that he expresses. Someone said to me the other day, "Dog has always eaten dog. We have always had war, and we will always have war." That was virtually the sentiment expressed by the right hon. Member for Sparkbrook. I think that the real issue was disclosed to this House some months ago in the speech made by the Leader of the House, when he gave us that great address on the danger of aerial warfare. There, it seems to me, is the point of view of the man who has realised the dangers that beset us if war does not come to and end.

Why I look upon this Debate and the events taking place in the Far East as so important is that in one sense this is one of the first great problems that have faced the League of Nations. Those who have taken any interest in the League cannot have been blind to the fact that sooner or later the League would come to just such an emergency as this, with a country that was badly governed and split up as we have heard China is split up to-day; and, on the other hand, another country with an increasing population, a country desirous of expansion and a country dominated by a very efficient war machine. We have wondered how the League of Nations would face a problem of that kind. Because there have been delays and difficulties many people have said that the League of Nations is no use. But if a system of warfare has been going for thousands of years, and if we are attempting, by means of the League, to begin to mould another system in which war will be replaced untimately by law, then, merely because within barely 20 years the new system is still imperfect, are we to say that the whole thing is a failure and that the attempt might as well be abandoned?

Hundreds of years ago when this country was dominated by nobles who, with their armed retainers, waged war upon one another, a man who was I suppose something of a pacifist, wrote a letter, or an article, or put upon paper in some form his belief that the day would come in this country when there would be order and law. I suppose that he was looked upon as an impracticable dreamer who thought of something which could never possibly come into being. Doubtless people like the right hon. Gentleman the Member for Sparkbrook told that man that his idea was impossible. Yet 600 or 700 years have passed and what that man thought of has long been recognised as the law and the government of this country. It seems to me that it is through a series of difficulties that we shall have to evolve the idea of law working through the government of the League of Nations.

In one sense, many of the problems which we are facing to-day we are facing for the first time and it is very remarkable that we should find 41 nations of the world declaring in favour of one united opinion on this question. It is very fortunate indeed that we have this great united world opinion expressed at a time when the first great test has come and I think we may congratulate those who have had the conduct and control of matters at Geneva. We have heard criticisms of them and they have seemed at times to act slowly but at any rate the conclusion of their work has been to gather this virtually unanimous opinion representing nearly all the nations of the world in favour of one definite view. How we are to impose that opinion on the nations who are waging war is one of the difficulties to be faced. I welcome the statement of the Foreign Secretary in re-

[Sir G. Gillett.]

gard to the arms embargo. Some of us may think that it would be better if it were directed solely against the country which has had the verdict given against it but we ought not too hastily to jump to such a conclusion.

We have to think out what is the best course to pursue and the assurance that the Government are taking action with the other nations on the lines indicated is one that we may all welcome. There may be other ways in which the opinion of the world can be brought to bear on the Japanese people. There is perhaps much truth in what Japan may say that the pages of our own history are covered with acts similar to those which she is doing in Manchuria to-day. No one who is familiar with the history of the development of our Empire can deny that there is a good deal of truth in it but even if that be so, we hope that the world is moving forward however slowly and that it has moved a stage forward in these matters. We welcome what has taken place at Geneva and the part which our own Government has played in connection with this problem.

8.40 p.m.

Mr. LEWIS: The great War has produced many evil things. It has produced very few good things. Probably many in this Committee would agree that of those very few good things, the League of Nations is one of the best. It may be that the idea of a League of Nations is premature. It may be that the world as a whole, like the right hon. Gentleman the Member for Sparkbrook (Mr. Amery), thinks that the time is not yet ripe to substitute the force of argument for the argument of force. Perhaps mankind has yet to pass through other phases before the conception of a council of the nations, of a world state, can be translated into reality. But this I think is clearly true, that if the world cannot evolve a League of Nations or some substitute for it that will work, then the civilisation which has been built up through so many centuries, with such great labour, will be as utterly destroyed as were the civilisations that preceded Greece and Rome. No people more than our own, for the last 300 years, worked to spread the civilisation of Western Europe over the world. No people other than our own have greater responsibilities to-day for government in different parts of the world. Therefore, it seems to me that we, above all peoples, should be interested in trying to make work the new and to some extent imperfect machinery of the League of Nations.

It is very reasonable that we should give up a day of the time of the House of Commons to the discussion of this Sino-Japanese dispute, because in many parts of the world to-day it is regarded as a test for the League of Nations—something which will show whether the League is a reality or a sham. Without going into the controversial details of the dispute between China and Japan, and admitting that there are many things to be said for and against either country, two things stand out clearly from the Lytton Report. One is that so far as naval and military operations are concerned, Japan is the aggressor. The other is that the so-called independent State of Manchukuo is a sham. I do not think that either of those two facts has been seriously controverted in the Debate. For those reasons most of us awaited with anxiety and great interest the statement of the Foreign Secretary. We cannot complain that he was not clear and definite. We are to understand that from to-day, with the exception of certain current contracts, there is to be an embargo on the export of arms and ammunition from this country to Japan or to China.

I suppose that to any peaceable individual there is something extremely distasteful, to say the least of it, in the idea of supplying to other people the means to kill and maim each other. Therefore, I suppose that the pronouncement by the Foreign Secretary of our policy in this matter will meet with a very wide measure of approval in the country, but I cannot help wondering whether in fact that decision is not premature, and that for two reasons. In the first place, it seems to me that it very much weakens our position at Geneva. After all, we were in the position that we could go forward to other great nations, themselves able to do a large and profitable trade in armaments of war, and say to them: "We are willing to give up this trade in this dispute. We have our great number of unemployed, we have our financial troubles, but none the less we will forgo this possibility of trade, and we ask you o do the same.” We are not now in that osition. We can only go to them and ay: “We have forgone this trade, and we invite you to do the same.” That seems to me to be somewhat the position of which we read in the fable, of the fox which lost its tail in a trap, and then went round and suggested to all the other foxes how much more comfortable they would be if they did away with that encumbrance, the tail.

That seems to me to be the one disadvantage, and the other is this: I do not think it has been seriously argued in this Debate by anyone but that the immediate effect of this embargo will be to the disadvantage, not of Japan, the aggressor, but of China. Quite apart from any question of contracts which may be in existence, as the right hon. Member for West Birmingham (Sir A. Chamberlain) pointed out with great force, in matters of this kind the aggressor always takes the trouble to be well prepared. Surely no one doubts that at this moment, if left entirely to their own resources, the Japanese are in an infinitely stronger position to produce all the munitions of war that they require than are their opponents, the Chinese. Therefore, it seems to me that on those two grounds, on the ground that it weakens our position *vis-à-vis* other great nations at Geneva which are able, like ourselves, to do a big trade in munitions, and, secondly, that in fact at the moment it hurts not so much Japan as China, the decision which the Foreign Secretary has announced to-day is premature. The only alternative is international action, and that, we understand from the Foreign Secretary, is not discarded, but is being pursued. It is suggested to us, as is, of course, only too true, that action of that kind must be very slow and very difficult, but I think time will show that in a matter of this kind, however slow and however difficult it may be, it is the only satisfactory method.

There was one passage between the Foreign Secretary and the right hon. Member for Bow and Bromley (Mr. Lansbury) which I did not quite understand, and I do not know whether I heard the Foreign Secretary wrongly, but the right hon. Gentleman who leads the Labour party asked if he could give the House a clear statement as to what proposals were being put forward, on behalf of our Government, at Geneva in this dispute at the moment. As I understood the Foreign Secretary, he replied that, partly because of the distance between here and Geneva, he was not in a position to say. I do not know if I do him an injustice, but I hope that someone speaking for the Government later in the Debate will be able to tell us quite clearly what are the main lines of policy which are at this moment being pursued by our Government in this dispute at Geneva, because surely it is ridiculous to suppose that the Foreign Secretary sits on this Bench here and leaves his Under-Secretary at Geneva to do whatever he likes, regardless of the directions which he has had from the right hon. Gentleman. I am sure the right hon. Gentleman and other responsible Ministers must know, in a matter of this vital importance, what are the main suggestions which we are putting forward to the other Powers with regard to this dispute.

I hope that those suggestions will take something of the form of progressive embargo upon exports to Japan on the part of the various nations which are members of the League, with an invitation to America and to the Soviet to join in; and I hope that if any such proposals are put forward and seriously considered, the position will not be spoiled by making such an embargo apply to both parties. The Foreign Secretary suggested, among other reasons, the serious difficulty that, for example, if we refuse to supply arms to Japan and are willing to supply them to China, Japan might seize a ship going to China with arms. Surely he does not suggest that the only way to get arms to China is to send them by sea. It is true that that is by far the most convenient way to send such things as heavy guns or other heavy munitions, but there is no difficulty whatever in getting smaller arms or munitions into China over land frontiers in many places. The French have such frontiers in Indo-China, the Russians in the North, Siam has frontiers, and we ourselves have such a frontier in Western China. There is nothing impracticable in sending small munitions up the Irrawaddy and over the frontier into China at Bhamo. If the will is there, we can get a great many munitions of war into China without Japan having any chance at all of interfering.

Mr. KIRKPATRICK: How many days will it take to get them there?

Mr. LEWIS: A considerable time, I agree, but it is practicable; it could be done, particularly if the struggle is prolonged. Therefore, I think that, in an embargo of this kind, the position should be left free to the other nations of the world to supply China if they wish. I very much object to the idea that the two countries in this dispute should be lumped together and that any embargo that is applied should be applied to both. It seems to me that we are in the position of saying to China, "We sympathise with you and think the other fellow is in the wrong, but we are not prepared to come and fight for you, and we are not prepared to help you to fight the other man." I agree most thoroughly with the Foreign Secretary when he says that the fact of condemnation by the League is in itself of first-class importance. It produces a certain moral isolation for Japan, but I venture to say that it will prove a great deal more effective if steps are taken to turn that moral isolation into an increasing degree of physical isolation.

8.54 p.m.

Mr. WALLHEAD: I wish to say a word or two in comment on the many statements that have been made with regard to the provocation that Japan has received in the dispute between herself and China. I interposed a remark to the right hon. Member for Sparkbrook (Mr. Amery) as to why Japan had not put her case before the League. It has been stated, and I got it in reply, that Japan has put her case before the League, but as far as I know Japan has put no case before the League, and she never proposed to put her case before the League. The statements which she made were of a rhetorical kind and were made in the League Assembly. I should have thought that putting her case before the League would mean that she was prepared to go to the League and give full information, papers, documents, and so on, in order that the League might come to a right conclusion. I am driven to the conclusion that Japan did not want to put her case to the League and that she preferred to play the game which she has played.

Japan has never needed to look very far for reasons for acts of aggression. The history of Japan is like the history o all imperialistic states; wheneve aggression has been intended reasons have not been far to seek for it. I suppose that it would be difficult to find a more peaceful race than the Koreans and yet Japan found the same reason for her aggression in Korea that she had found in Manchuria. It was the necessity for protecting Japanese nationals although I have never been able to understand what protection they needed in Korea. Japan went in with just the same policy that she has pursued in this quarrel with China over Manchuria. Towns were razed to the ground, the old Queen, no doubt a very provocative old lady, was dragged from her palace and beheaded in her own courtyard—all in the defence of some mythical Japanese nationals. Japan found the same causes for her acts of aggression in the Far Eastern Republic in the post-war period. There she agreed with America and ourselves to send a police force of 7,000 or 8,000 men, and after America and ourselves had withdrawn from the Far Eastern Republic, Japan was still there and maintained there an army of 70,000 to 80,000 men, carrying on acts of brutal aggression in all the towns and parts that she occupied. There was murder, bloodshed and rapine wherever they were in possession. The same thing is going on at the present moment.

It has been hinted that Japan may turn round and say: "You have done the same." That is true. All Imperialist nations have taken the same course. We are in the position of the poacher turned gamekeeper. I do not know how we are to bring this thing to an end. I do not think that Japan will be willing to retreat from the position which she has taken up. The only thing that will bring her to her senses is a form of keen economic boycott. The same effects will not be obtained by stopping the supply of munitions. One has only to consider the strength of Japan in air and naval power to see the overwhelming advantage that she has over China in spite of the so-called embargo which is supposed to come into operation now. If the position suggested by my hon. Friend the Member for Caerphilly (Mr. Morgan Jones) is anything to go by, if the contracts that now exist are to be carried out and if they are Japanese contracts, it is obvious that we shall go on arming Japan for a very long time to come. But there are no contracts to supply her with money as far as I know and an economic boycott will do more to bring her to her senses than a boycott of arms can possibly do. Her problem would then become an economic one.

The Foreign Secretary might explain to Japan that we have had some experience of Imperialism; very few nations have had more; and he might explain that, while acts of aggression are fairly easy to commit, particularly when they are committed against weaker nations, they are damnably difficult to get out of. The after effects remain for a long time. The right hon. Gentleman might explain that while we have been Imperialistic in the last 150 years, our Imperialism, although it may have brought some advantage from a commercial point of view, has brought us many difficulties from a political point of view. We have had some difficulties in Ireland. We have a few in India, and they are likely to continue; and if Japan is looking for trouble, Imperialism is the proper way to provide herself with some. We can give her some splendid examples of the troubles that accrue when a nation becomes too greedy. We have 3,000,000 men unemployed after all our Imperialism, after all our expansion, and after winning the War. Japan may win in this case, and we and other people may supply her with munitions, but she may say: "The debts are so huge we cannot pay them; other people have found that out." Our debts were for munitions, and Japan's debts will be for munitions. We cannot pay ours very well, and she will probably find more difficulty in paying them we have as she is in a desparate position. If we can bring an economic boycott, it would lead up to a kind of social revolution on the part of the Japanese people against their militarists, and that would be the best way of bringing the war between China and Japan to a satisfactory conclusion. If the Foreign Secretary would explain these points to Japan and tell them that this is a dangerous policy, that no good can really come out of it, and that nothing but trouble can accrue, she might learn a little sense.

The Government are "sitting pretty" at the present moment, and that is as good a position as they can take up, and the Foreign Secretary says definitely that we are not going into war. I hope that he is correct, but I have my doubts. We can easily drift into war, and I can easily visualise a position in the Far East that would bring repercussions in Central Europe. Everybody who has watched Japanese developments must realise that one of the things that she wants is the maritime province of the Far Eastern Republic. She wants that stretch of sea from Vladivostok to Kikolaievsk and the Island of Sakhalin. If she attempts to get them there may be war with Russia. She wants the whole of the inlets to the main land and the railroad. I think that some kind of encouragement has been given to Japanese ambitions; there have been some hopes in Europe that something might take place there that would bring Japan on to Russia's far flung flank. I believe that there is some reason for that hope. If such a position should develop, I would not be too sure that we should be able to keep out of it, because there might be repercussions in Central Europe that would bring us into a war, and that war would very likely be the end of European civilisation.

It is difficult nowadays to localise war. It was possible at one time to confine it in a small area, but it is not so possible now. Economic interests are so widely spread that capitalist nations find themselves affected at every point, north, south, east and west, and economic interests can only be protected during a state of war by military means. That is the assumption and those are the difficulties that will lead us on from one danger to another. I hope the danger may be averted. I hope the aspirations of the Foreign Secretary may be maintained. I do not want to see this country in war, and I am quite convinced that the safest way to keep us out is to bring this controversy, this horrible business, to a conclusion at the earliest possible moment. It should be our policy to isolate the aggressor as much as possible and make it impossible for this war to be continued.

9.7 p.m.

Mr. VYVYAN ADAMS: So many references have been made to the speech of the right hon. Member for Sparkbrook (Mr. Amery) that I hesitate to mention it again. The House has well noted it and will long remember it. It was, indeed, a remarkable speech. At the beginning he exhibited anxiety for the

[Mr. Adams.]

cause of China, and then said, practically in the same breath, "How dare you condemn Japan; she has an arguable case?" It may be an arguable case, but how has Japan chosen to argue? With force, and with force alone. The right hon. Gentleman concluded his speech by frequent references to reality. What exactly does he mean by reality? He reminded me of a sermon I once heard by a distinguished bishop, arguing the same theme of the *status quo*, in which he ended by saying: "Brethren,"—he was a very democratic bishop—"as long as human nature is human nature, human nature will be human nature still." It is this kind of theory, advanced by the right hon. Member for Sparkbrook, that human nature, and therefore human behaviour, can never change, which is the obstacle to progress all the time. It may be that human nature does not change, but if human behaviour does not change then, indeed, we are doomed. He attacked the policy of His Majesty's Government, quite irrelevantly, I thought, in this Debate, on the subject of the internationalisation of civil aviation, and yet he claimed the whole time to be a realist. Later in this Debate a true realist was sitting on the Treasury Bench, namely, the Lord President of the Council. I would have recommended the right hon. Member for Sparkbrook, were he here, to re-read carefully the words of the Lord President of the Council. Let him take to heart those words, which cannot be refuted. "Whatever the man in the street may be told to the contrary, the bomber is always bound to get through." That is the true realism, not the kind of pseudo-realism advanced by the right hon. Member for Sparkbrook.

Earlier to-day we had an exhortation from the right hon. Member for Bow and Bromley (Mr. Lansbury) to young men. Perhaps I have been incited by that exhortation. Twice in February of last year, and in March, I put questions on the Paper urging the President of the Board of Trade to withhold licences for the continued exportation of arms and munitions to the Far East. I am going to speak to-day in tones of the most humble congratulation to my right hon. Friend the Foreign Secretary on the extremely noble, fine and definitive action he has at last taken, but I have always held the view, heterodox as it may have been at times, that this traffic has been both inexpedient and wrong—inexpedient because it has made it much more easy to wage war and, as the Foreign Secretary has said constantly on the Floor of this House, the best interests of Great Britain are the interests of peace. Again, as the House is well aware, one gets the evil contingency that men enlisted in Yorkshire may very well be despatched by bullets made in Sheffield. I suggest that this traffic in arms is utterly wrong. Of course it is immoral for our armament factories to flourish upon the bloody disputes of foreigners. I apologise if these notions appear somewhat Victorian and Puritanical to the Committee. The other day I heard it suggested that it was a matter for congratulation that a clothing factory had secured a large order for Japanese uniforms. I cannot believe it is a matter of congratulation, particularly as those uniforms will be worn in a war which is now admittedly an aggressive war against the Chinese, and if I were confronted with the crude and grim alternative of deciding which is the greater evil, the unemployment of our own people or the killing of Orientals, I fear I should unhesitatingly say the greater evil is the killing of Orientals.

To-night we have seen impersonated by my right hon. Friend the Foreign Secretary the spectacle of Great Britain rising at long last to her full height and the full consciousness of her prestige. I am glad that we have taken this unilateral action, because I believe it will result very soon in multilateral action. Surely it is cause for congratulation that we have decided that Great Britain shall not make a single penny piece of profit out of the persistent warfare in the Far East. It is a new departure entirely in foreign policy. I think we shall quickly be followed by other great Powers. America has already declared that she is willing to take the same course, and I believe France will quickly follow us. So long as we allow the notion to get abroad that the "other fellow" in the international sphere is not to be trusted, so long will international behaviour take the lowest possible form. I do not believe that the other great Powers will persist in a policy of moral isolation in this matter.

Last Friday the League of Nations in he eyes of all fair-minded men ceased eebly to temporise. It ceased to be idiculous. The Lytton report is, in the yes of fair-minded men, a document uniassed by political prejudice, and if the nanimous verdict of the Assembly of the eague of Nations will not satisfy the ight hon. Member for Sparkbrook, what n earth will satisfy him? I think the Committee are entitled to know from the oreign Secretary exactly what course nay have to be pursued if the sanctions nder Article 16 are invoked. For my art, I think that situation will not arise, ut we ought to consider the continency. I suppose there were three ourses open to His Majesty's Governnent. In the first place, there is the ossibility of using military force. I oubt very much whether in any circumtances in the present dispute that would e a moral line to take, because I hold he view that it is as hypocritical to seek repel force by force as for the State to ry to correct one murder by committing nother.

Hon. Members, including the hon. Member for Merthyr (Mr. Wallhead) ave suggested the economic blockade. hat, also, is a possibility which I would ke to put in a very remote position ndeed. It is one of the cruellest devices. n enforcing an economic blockade upon apan you would probably inflict upon apanese women and children, perfectly nnocent most of them, ineffable hardhip. When I read of my right hon. riend the Leader of the Opposition dvocating upon a platform in the ountry a few days ago this extreme anction, I wanted to adapt the words Shylock and to say to him:

> "Hath not a Jap eyes? Hath not a Jap nds, organs, dimensions, senses, affections, ssions? Fed with the same food, hurt ith the same weapons, subject to the same seases, healed by the same means, warmed nd cooled by the same winter and summer, a Christian is? If you prick us, do we ot bleed? If you tickle us, do we not ugh? If you poison us, do we not die?"

y an economic blockade you would not e poisoning the Japanese soldiers or ilors or the Japanese military party. is axiomatic that the first people to ffer would be the Japanese women and hildren. Do not let it be supposed that am in any sense pro-Japanese, nor deed am I pro-Chinese. If I may adopt the words of Lord Lytton, I am merely pro-League in this Debate.

How very important it has been, and how vital, and a matter again for congratulation of my right hon. Friend that the Secretary of State for Foreign Affairs has not taken the easy course of inertia. We have, to some extent, taken the third sanction and the third possibility, of not exporting arms to the Far East. It is the least violent sanction, and by taking this course we shall not be making the mistake of seeking to penalise a nation as you would punish an individual. The right hon. Gentleman the Member for Sparkbrook (Mr. Amery) delivered a speech which, I should have imagined, was almost impossible at this stage. He said in effect, "Hands off Japan; they are doing the kind of things that our predecessors had done on scores of occasions in our own history." To that school of thought I would say that you cannot extenuate the crimes of other people by condemning yourselves. Is not it a fact that the nations of the world who were signatories to the Covenant of the League of Nations have said that they will not revert to the methods of yesterday? I suggest to this Committee that *laisser faire* is a pre-war sophistry and a pre-League argument. It cannot be pursued any longer.

I suppose that the irresponsible portion of the Press will gather together again and will republish the antiquated arguments, in order to try to destroy the very fine policy initiated to-day by the Secretary of State for Foreign Affairs. I would very respectfully warn him that there are those irresponsible sections of the Press, which will do their best to show there is no immediate profit in pounds, shillings and pence to be gained by the policy that he has initiated. Let us get down to the true realities of the situation, not those submitted to the Committee by the right hon. Gentleman the Member for Sparkbrook. You cannot localise any of these disputes now. The world has contracted too much. Let the Committee reflect for a moment upon what happened in 1914, in the conflict which is closest to our memory. A criminal lunatic at Sarajevo pulled the trigger of his revolver, and in six weeks the whole of Europe was in a conflagration which it took 51 months to extinguish.

[Mr. Adams.]

In a very real sense, the mechanical inventiveness of man has caused us to be our brother's keeper. The Covenant of the League of Nations, to which we are absolutely bound, has seen to that. I would like hon. Members who may have a lingering regret in regard to the course that has been taken to-day to look ahead for 10 years and to ask themselves: "Shall we not feel at that future time some gratification that Great Britain, in the Sino-Japanese dispute of 1933, put integrity above private gain?" Suppose we had taken the advice that is constantly being pressed upon us by the irresponsible sections of the Press and had calmly proceeded to trade with both sides. It might have been that our industries which are now suffering from partial collapse would have experienced a temporary recovery. The looms might have hummed and the blast furnaces might have glared. For a brief time, they might have enjoyed a period of tremendous activity, but then would have come the day of reckoning. We might well have come to be in the same position as is the United States of America. Although Japan might militarily have won an unqualified victory as we did in the last War, the House does not need to be reminded that war profits no one, not even the quartermaster or the proud paymaster.

9.22 p.m.

Captain McEWEN: I cannot say that I altogether agree with the entirely pacifist outlook of my hon. Friend the Member for West Leeds (Mr. V. Adams), whose able speech we have just heard with great interest, nor can I agree with the hon. Member for Merthyr (Mr. Wallhead) in his suggestion that the Foreign Secretary should approach the Japanese Government and explain to them in a friendly sort of way that if they would only work gradually towards the social revolution, all would be well for them. I would join with my hon. Friend the Member for West Leeds in congratulating the Government very heartily upon their successful handling of what has been, and still is, a very delicate and ticklish problem, and upon the decision, made known to us this afternoon by the Secretary of State for Foreign Affairs himself, to withhold export licences for arms, pending the consideration by other Powers of international action in this direction.

While being nothing of a pacifis myself, I have often felt acutely th difficulty of reconciling the avowe pursuit of peace with the action o supplying the very means of destroyin that peace to those who happen to be a the particular moment at each other' throats. The Secretary of State fo Foreign Affairs has taken not only logical step but also a very wise one which is a somewhat rare combination I am convinced that a vast body o opinion in this country will heartil approve of the decision that has bee made. All the greater was the effect o the right hon. Gentleman's speech coming immediately after the bellicos words of the Leader of the Opposition whose attitude was that we should lon ago have put into effect Article 16 of th Covenant which lays down that a economic boycott should automaticall be applied to an aggressor State. H emphasised the fact that the militar party in Tokio were very much in th ascendant, without apparently connecting the significance of those two facts The fact of the matter is that nothin but consummate diplomacy, not necessarily confined to the Foreign Office, has so far, prevented any such action bein taken. Had Article 16 been put int effect there is no doubt at all that i would have been the signal for war.

As the British Empire happens to b the most important State facing th Japanese Empire in the Far East, i would have been against our Far Easter possessions that the war would have bee in the first place directed. It is no goo saying that the framers of the Covenan ought to have foreseen this contingency I would say that this contingency ha been foreseen by many for a lon time. I would go further and say tha it is well known that the conditions o Article 16 are not practicable, and that in fact, they are unworkable and ough to be revised—it is merely a case now o who will bell the cat. We have hear to-day a lot of talk about realities. Her is a reality, and one towards which ever country, signatory of the Covenant o the League of Nations, is not unnaturall unwilling to turn its eyes. I cannot hel feeling that it is a matter of considerabl congratulation for us all that the righ hon. Gentleman and his friends on th Labour benches, have not been in charg nd directing foreign affairs during the ast 18 months for then, undoubtedly, ome at least of these horrors to which e referred with such force in his speech, ould be with us to-day.

28 p.m.

Mr. PICKERING: Although we have een impatient regarding the action of he Government at Geneva, they have at ast achieved something; they have at ast come to us with a unanimous committee of 19, and the whole League nanimous. Although a great deal of he Debate has ranged round this question of the embargo, I, personally, do ot think it is a matter of such great moment as many people represent it to e. I do not think that, whether we ut on an embargo on arms going to apan, or Japan and China, will matter ery much because, so far as military perations are concerned, the issue is ot in very grave doubt. I do think, owever, that it is well for this country hat we are showing we are not out to make any profit from the export of arms. regard it as a very fine gesture which may impress Japan very much. Apart rom that, I do not think we are doing particularly good service to the cause f China by this embargo, but it may e that it may not make any particular ifference to the issue.

What most of us who are pro-League r internationally-minded are concerned bout is a means of converting the apanese people, or Government, to an cceptance of the situation as Europe nd the rest of the world have seen it. do not believe we shall do so as long as he present military clique is in power n Japan. When I speak in protest gainst the military clique, it is a good eal more difficult for me to do so than or other Members. I know a good many f the people concerned, and some of hem know me. I do not like to say nything against the country which gave me so much hospitality. I do feel that he great difficulty we are up against is he present powerful position of militarism in Japan. A short time ago the ight hon. and gallant Gentleman the Member for Newcastle-under-Lyme (Colonel Wedgwood) was speaking about he badness of the Japanese Government. During the time I was in Japan the ystem of government was developing remarkably and then, just when practically for the first time there had been a Government elected on really political principles and in a very constitutional way, within a very short time that Government fell and we found the military clique in power. This is a point which has not been enough emphasised in this Debate. It fell because of the chaotic condition of China.

Despite the Nine-Power Treaty, despite the League of Nations, and even the Lytton Report, China does not exist as a sovereign State. That has been a factor of tremendous importance. We all wish to see China a sovereign State in the strictest sense of the word, and so would Japan, especially Japanese constitutional statesmen. When I arrived in Japan a few years ago, a friend who was in the Government there, and who is one of the present Government, told me most sincerely that the foreign policy of Japan, so far as China was concerned, was to see China peaceful and united, because only then could Japan carry on in the way that all constitutionally-minded Japanese wished Japan to carry on. It is because of the chaotic condition of China that the constitution in Japan has been driven to the wall. By constitutional methods they could do nothing and the militarists have taken advantage of their opportunity. The militarists are in possession and draw great strength from two factors. In the first place, the Japanese are the most patriotic people in the world, and I wonder what would happen if that patriotism was driven too far or Japan was put to shame by the withdrawal of our representative. That patriotism must be taken into consideration, and, secondly, this chaos in China and Manchuria which must be brought to an end.

What is the best we can do? The Lytton Report has made its suggestion. I think a little should be added to that. In the first place, I think we cannot be quite sure that the Lytton Report is correct in dismissing so easily the reality of Manchukuo. I daresay Manchukuo could not exist as an independent State without Japan, but there is evidence that there is a good deal of popular feeling behind it. Let us grant for a moment that the Japanese may be right in insisting that Manchukuo is not a puppet, but a very young reality. Let us also grant that, even according to the Lytton Report, the old regime must not be

[Mr. Pickering.]
restored, that Chang Hsueh-liang cannot be allowed to go back again—he almost ruined Manchuria. China cannot take control, because China is not a sovereign State. The Lytton Report practically admits that that is so, and does not suggest that the Nanking Government should take control. Admitting all these factors, let us see if we can grant that Japan may be absolutely sincere in stating that she has no territorial interests. If we admit all these factors—first, that Manchukuo may be a possibility, that there may be something in this so-called puppet State; secondly, that the old regime cannot be restored; and, thirdly, that the Nanking Government cannot take control of Manchuria and restore order there—and also admitting, as I think one must, that the suggestion made in the Lytton Report with regard to an international gendarmerie is a preposterous suggestion, then we have to try to come to some terms with Japan in this way.

In some newspapers I have seen it stated that the Japanese have suggested that there should be a waiting time, that we should give them a chance to prove their worth and the fact that Manchukuo is a reality. They cannot move their armies, and I think the League might at least try to get Japan to accept a permanent commission to study the situation in Manchuria. As things are at the present moment, Manchukuo is really prospering. It is much more orderly than before. Japan has brought law and order where previously there was chaos in Manchuria. Let Japan's sincerity be tested as to whether she is really working behind the scenes all the time, and whether she really means anything when she says that she has no territorial interests. I think that that attempt to solve this very difficult problem ought to be made. If Japan will not accede to our efforts, then, of course, other steps must be taken, but I think we ought at least to provide one more opportunity in order to restore to the comity of the League of Nations one who was very proud at one time to be an ally of the League.

9.39 p.m.

Mr. THORP: I think the Committee ought to consider the position of the League of Nations in regard to the attitude which it is proposed that our Government should take. We are now told that the House of Commons propose that there should be an embargo upon the export of arms. I apprehend that that embargo will apply both to China and to Japan. In my view, it is a very small step from placing an embargo on the export of arms to taking sides in this present unfortunate dispute. I hear the Foreign Secretary say, "Which side?" The answer is, "Either side." We also know that the Japanese, in point of organisation and in point of readiness for war, are infinitely better equipped than the Chinese. Therefore, it follows that the Japanese are more ready to carry on this campaign than the Chinese, and the inevitable result of our saying that there shall be an embargo upon the export of arms is to give an advantage to the Japanese which otherwise they would not possess.

There is another point with regard to this matter which I think ought to be considered. We have heard time after time that, so far as the League of Nations is concerned, whatever the future attitude of the world may be, the present attitude of the world is that the League of Nations should exercise a moral and not a physical force. There are some of us who realise that at the present moment the ultimate sanction must inevitably be a physical one, and that the League of Nations will not be able by physical means to enforce its will upon Powers which disagree with its decisions. If the House of Commons appears to say, in effect, that it will place an embargo upon the export of arms, knowing all the time that that embargo will assist the Japanese and certainly will not assist the Chinese, it simply means that this country is being called upon to enforce the opinions of the League, although not in terms which will carry them into effect.

I suggest that this country, in a dispute of that kind, should carry out the military evolution of taking a pace to the rear with the left foot and a pace to the right with the right, and I think that that would meet the opinion of the country. If it be the fact that the League of Nations has only to express an opinion, and thereupon this country will say, "We will take no part, we will not export arms," the result will be that the country which is inevitably the weaker country will feel that this country is supporting the stronger and better organised country. I think that the House will be well advised to take up the attitude that, so far as we are concerned, we support the League, and we very much deprecate the unfortunate dispute that is pending in the East, but that we decline to adopt a policy which may be taken, and undoubtedly will be taken, as supporting the Japanese as against the Chinese. I suggest that the House should hesitate for a long time before it takes sides, as it will be considered to take sides, in the present unfortunate dispute.

9.44 p.m.

Mr. DAVID MASON: I agree with the hon. and learned Member for Nelson and Colne (Mr. Thorp) that the announcement of the Foreign Secretary in regard to the placing of an embargo on munitions going to both belligerents is a most important pronouncement, and I also agree, after the condemnation of Japan which we have heard from the Leader of the Opposition, from the Foreign Secretary himself, and from the right hon. Gentleman the Member for West Birmingham (Sir A. Chamberlain), we have no question to debate as to who is the culprit; but I agree that nothing could be more calculated to help Japan than that pronouncement. The facts have been referred to by many speakers. Japan is well prepared. China is defending her country, and she, the innocent party, is to be penalised by the House of Commons and by the pronouncement of the Foreign Secretary in his own speech. Contracts have probably been entered into and have to run on. Members on all sides with almost one voice, except the right hon. Gentleman the Member for Sparkbrook (Mr. Amery), have decided that Japan is at fault, and yet we are apparently agreeing to the right hon. Gentleman's pronouncement and placing an embargo on munitions to either belligerent. It was not very easy to understand the right hon. Gentleman. He said the British Government were entering into relations with foreign Powers, while taking this stand themselves, to endeavour to persuade them to agree to our policy. Does that mean that the British Government are endeavouring to persuade all the other great Powers to agree to place an embargo upon munitions going to both belligerents or only munitions going to Japan? Eighteen months ago I put some questions to the right hon. Gentleman with regard to the Covenant. He told me I did not comprehend the Articles, and he would explain to my deficient intelligence what they were. We went to an adjoining Lobby, and he tried to explain their meaning to me.

Sir J. SIMON: Quite unsuccessfully.

Mr. MASON: Let me continue the narrative and the Committee can judge for themselves how successful or unsuccessful he was. I suggested to him that his answers in the House indicated that he, representing the British Government, did not intend to do anything, and his reply was that I was a bloody-minded pacifist. That was his conception of ordinary Members of the House trying to bring what influence they possessed upon the Government and of what are the obligations contained in the Covenant. So superficial a way of treating a matter of life and death is beneath contempt. Article XVI says:

> "Should any member of the League resort to war in disregard of this Covenant under Articles XII, XIII and XV—"

Article XII says that members of the League agree that, if there should arise between them any dispute likely to lead to a rupture, they will submit the matter either to arbitration or judicial settlement or inquiry by the Council, and they agree in no case to resort to war until three months after the award of the arbitrator or the judicial decision or the report by the Council. By Article XIII, members of the League agree that, if any dispute arises between them which they recognise to be suitable for arbitration or judicial settlement, and which cannot be settled by diplomacy, they will submit the whole matter to arbitration or to judicial settlement. As Japan disregarded the two previous articles, she *ipso facto* may be deemed to have committed an act of war against all other members of the League. My hon. Friend the Member for Wolverhampton (Mr. Mander) asked whether we were right in prohibiting all trade and intercourse between ourselves and the belligerents. It says here that members of the League undertake immediately to subject belligerents at fault to the severance of all trade or financial relations and to the prohibition of all intercourse between nationals of the Covenant-breaking belligerent and the nationals of any other State, whether a member of the League or not.

[Mr. Mason.]

There we have our action defined by the Covenant and for the Secretary of State or his Under-Secretary at Geneva to go out of his way to proclaim to the world that in no circumstances will we carry out sanctions is a humiliating attitude for the Government to take up. We are not called upon to go to war. These Articles may provide for certain sanctions as a last resort, but there are economic sanctions and financial sanctions, and to state beforehand to a belligerent who is engaged in aggressive action that in no circumstance will you carry out sanctions of this extreme character is to my mind quite uncalled for. Can you blame Japan for her aggressive action? The hon. Member laughs. Does he deny it? Has not our action in the last 18 months conveyed to Japan that we intended to do nothing? Was that a serious policy? Were we called upon to do that? The right hon. Gentleman sneers at my lack of comprehension of diplomacy. I might retaliate that he has a very elementary knowledge of diplomacy. We pay little or no attention to the Covenant although we are members of the League. To tell the other Powers, as the Under-Secretary did at Geneva on Friday, that we do not intend to impose these sanctions is not only humiliating but stupid. It is calculated rather to promote war. I am a peace-loving man. I cannot, perhaps, lay claim to the high eulogy which came from the Secretary of State for Foreign Affairs, but all my life I have been a man of peace. Sometimes I feel that you are more likely to get peace if you take a firm line. If you drift and shilly-shally, and indicate that you do not intend to do anything, can you wonder that Japan has become an aggressor? We have pursued a policy more likely to encourage Japan. We are in the position at the eleventh hour of saying that perhaps the Government may screw up the present House of Commons to go in for economic sanctions.

I agree with the right hon. Gentleman the Leader of the Opposition. Hon. Members have said that he is a belligerant and professes to be a pacifist. I submit that his remarks about what was the use of belonging to the League of Nations and signing the Covenant if you did not intend to give at least lip service of loyalty to the Covenant was misinterpreted by the representative of the Government when he said that it meant that the right hon. Gentleman intended that we should withdraw. If I understood him, it meant nothing of the sort. He was justified in saying that those very serious Covenants to which we had put our signature were treated so lightly because we thought they might be inconvenient and might not suit us and therefore we were not prepared to carry them out. I rejoice that my hon. Friends behind me and many distinguished Members of the Conservative party, including the right hon. Gentleman the Member for West Birmingham (Sir A. Chamberlain) have taken a higher rather than a lower view of our responsibilities. I hope that the Government will yet be encouraged not to rule out what we may yet be able to do to try and bring this dreadful thing to an end.

9.59 p.m.

Sir STAFFORD CRIPPS: It has been a very good thing that this matter should be debated so fully in the House to-night, not only perhaps for the House, but for the country and for the world as well. The Debate has been a very interesting one, and, I think, has been striking because of the almost unanimous support for the League of Nations and the action which it has already taken, and also because of the demand which the House has put forward for united action in the future. Indeed, the right hon. Gentleman the Member for Sparkbrook (Mr. Amery) is almost as isolated as Japan.—[An HON. MEMBER: "Oh, no!"] He is almost the only militant Imperialist left, and deep calls to deep when he and Japan consider matters together. In view of the time which the Debate has taken we do not propose to divide the Committee to-night upon this Vote. We shall watch with interest and anxiety the development of the actions of the Government and the actions of the League.

There has been a great deal of discussion going back into the history of the disturbance and disquiet in Manchuria, but in view of the unanimous decision of the Assembly of the League of Nations it does not seem to us to be profitable to try, with a much smaller knowledge, to examine again the whole of the circumstances which led up to the troubles in Manchuria. We must, I think, accept those findings as being the best findings the world can produce. There is no better machinery available, and it is idle for us to try to thresh through it all again. But it is important to notice that the findings of the Assembly of the League of Nations are based upon a series of breaches of faith by Japan. No one who has read the documents can be in any doubt whatever about that. [AN HON. MEMBER: "They are wrong!"] The hon. Member may think that they are wrong, but I am not going back behind those findings. It seems to me even a greater authority than the authority of the findings of Lord Lytton's report. It is because of those continued breaches of faith that the League of Nations has come to the conclusion that Japan must be considered as an aggressor State. That declaration, as the right hon. Gentleman the Foreign Secretary truly said, is a declaration of very great moral effect. It is a splendid thing that all the nations who are gathered at Geneva should at long last have come to a definite and decisive decision upon this point and have had the courage to declare that decision in no doubtful terms. We certainly wish that the decision had been come to sooner. We think that that might have been done without any undue strain if more determination had been shown to deal rapidly and decisively with the matter.

Do not let us go back now into the regrets of what might have been. Rather let us be pleased at least that at last it has come to a solution. But the trouble is that with that decision having been come to, Japan snaps its fingers at it. The position which now arises is, what are we to do as a sequel to Japan's action upon the League of Nations unanimous report? We believe that it is vital that whatever action is taken should now be taken with extreme rapidity. We realise, of course, the difficulties in getting international agreement upon any matter, but it is, in our view, absolutely essential, if any action is to be effective, that it should be taken at once. The Foreign Secretary rather accused my right hon. Friend the Leader of the Opposition of suggesting that the sanctions were foreshadowed in the Lytton Report, or that he had suggested that they were recommended by the Lytton Report. Of course, that was not the function of the Lytton Report. The function of the Lytton Report was to give the League a basis upon which they might come to a decision, and it was not until that decision had been come to that any question of sanctions could possibly arise. Now that Japan has refused to accept the proposals which are put forward by the League the position has changed. As Lord Lytton put it himself in an interview two or three days ago:

> "This is the action I would consider desirable following upon the League's condemnation of Japan's action. League members should stop the export of arms and money to Japan."

We do not suggest, and never have suggested, that any one single country should butt into the war in the Far East and make that war worse. Several hon. and right hon. Gentlemen have suggested that we are pacifists and that we are more bellicose than the militarists. That arises, I think, from a misunderstanding of what my right hon. Friend the Leader of the Opposition said. What he was pressing upon the Committee was the necessity for the League to butt in and exercise the powers which it had undertaken, and which the members had undertaken to exercise under the Covenant of the League. The first step, obviously, and the easiest step is an arms embargo, but no one can suppose that by means of an arms embargo alone anything except a moral effect will be brought to bear upon the Sino-Japanese position, because everybody knows that there are large arsenals in the Far East. Money, on the other hand, as Lord Lytton suggests, is probably the more important factor and might have a decisive effect far more rapidly than an embargo upon arms. If only arrangements could be made internationally that all credits should be refused to Japan, that would be a far more decisive and more important factor than the mere embargo upon arms. Nevertheless, the announcement of the Foreign Secretary as to our refusal to license further export of arms from this country to China and Japan is at least a gesture, a very fine gesture, in its way, although it is a great pity that it was not made a year ago, when we were pressing for it to be made.

Sir A. CHAMBERLAIN: Before the decision of the League?

Sir S. CRIPPS: Yes, before, and that is the exact point that I want to bring before the Committee. I am sure the right hon. Gentleman will agree with me in this, that if we are going to put an embargo on both parties, that is a thing suitable to be done before you have decided upon the aggressor. The moment you have decided on the aggressor, and here I agree with the Foreign Secretary, then it is not suitable to put an embargo upon both parties, and we are liable now by taking this action, after the decision of the League of Nations, to lay ourselves open to a misunderstanding on the part of China that by not exporting arms to China we are actively assisting Japan. That is why we think that if action of this type was to be taken, that is, an embargo upon arms to both parties, that was suitable action to be taken before any decision had been arrived at as to which was the guilty party. I agree with the right hon. Gentleman that it is difficult to justify, after the aggressor has been determined by the League, putting an embargo on both sides. We appreciate that there are difficulties when one nation is acting alone—difficulties which the Foreign Secretary mentioned—and therefore, although we think that it would be fairer, after the aggressor has been determined, to take action against Japan alone, yet, in view of the difficulties, we certainly do not oppose the step which the Government are taking as regards this matter.

It will not have any very great effect as regards stopping the war in the Far East but, on the other hand, I think that it may have some effect upon world sentiment, because a lead is a great thing, especially when it is a fine moral lead. Nobody can say that we are going to make anything out of putting an embargo upon the export of arms. We hope, and I suppose the whole Committee hopes, that this gesture by the Government will be rapidly followed by an agreement throughout the world to extend the embargo on arms against Japan. If the Debate has done nothing else of any use I hope that it will make it clear that the embargo against Japan is desired by this Committee, and I am sure that the Committee is speaking on behalf of the vast mass of the people of this country and the vast mass of the people of the world.

When it comes to an agreement between the different nations, then I hope the Foreign Secretary will tell us that that agreement will be based upon an embargo against Japan alone. [HON. MEMBERS: "Why?"] Because Japan has been determined the aggressor. We hope that there will be no question of that embargo being exercised against China as well. It would clearly be inconsistent with the Covenant of the League to do that, if it were international action taken under the terms of the Covenant itself. We hope that the Government will go forward and try to extend the area of embargo as rapidly as possible, and we hope that the mere fact that one particular country will not come in, although perhaps the bulk of the countries will, will not stop international action being taken. If one waits until every single country has consented it might be that one will wait for ever. We believe that the great bulk of the countries will take this action and that the rest will be shamed into doing the same.

A very serious question has been raised by several of the speeches made this evening and, indeed, by the statement of the Foreign Secretary that we will not become involved in this war in any event. Nobody wants to become involved in this war. That is perfectly certain. Nobody with any experience of the last War would ever want to become involved in any war. But does that statement mean—the Committee must face up to it—the abrogation of Article XVI of the Covenant? So long as that Article stands, the implications of our duty and of the duty of every signatory are enormous. Are we merely going to put ourselves into the position of performing what we would call the centuries old ceremony of kow-towing to the bullies of the world, or are we going to say that the theory of sanctions is a real theory and is, indeed, a theory and a practice that was invented for the purpose of assisting in keeping peace, and are we really going to apply it? Probably the Foreign Secretary will not want to answer that question to-night, but sooner or later this House will have to come to a determination as to whether they are to treat Article XVI as a mere scrap of paper.

We believe that it is a fallacy to say that if the sanctions were applied or had been applied earlier, we should eventually have had war. That clearly could not have been the thought of the people who framed the Covenant. It was framed for the purpose of avoiding war. We believe that even countries who may take up a bullying attitude can and must be brought to heel by the exercise of economic sanctions in the last resort, unless you are to say that a person who bluffs sufficiently high can always win the trick. That would indeed be a tragedy. If the Article is a reality then, as in everything else in life, we may have to take risks, and the risk may well be worth the possible price. It is a little unfortunate that any so definite a statement should be made as to our unwillingness to take any risk at all if we really are going to try to put our weight behind Article XVI of the Covenant.

Whatever sanctions the League of Nations decides to put on, we hope they will not neglect every opportunity of using their good offices to settle this dispute. We do not want them to concentrate entirely on the sanctions side, but that they will continue to use their good offices to arrive at some settlement. It must be obvious that sooner or later the question must be settled by agreement. The time will come when Japan and China will have to settle down together side by side, and everything that can be done at this moment to expedite the process of settlement is something which we should encourage. But there can be no settlement so long as Japan is in a position to make China obey her commands, so long as China is not able to settle as between two equal parties. The object of the sanctions is to improve the bargaining position of China so that she may get a fairer and better settlement with Japan; and also to stop some of the ghastly horrors of war. The right hon. and gallant Member for Newcastle-under-Lyme (Colonel Wedgwood) suggested that the League of Nations might offer its assistance to China in reorganising the government, and there may be a useful function to be fulfilled in giving China assistance, provided that the assistance is not merely a cloak for the mass exploitation of the Chinese by Western capitalists. There would have to be the most careful safeguards, and the safeguards would have to be rigidly enforced.

It is obvious, as the Lytton Report said, that we can never merely go back to the *status quo* in Manchuria; some means must be devised, and a part of such means is the stabilisation of the Chinese Government. The ultimate solution is one of extreme difficulty, but Lord Lytton, in the magnificent contribution to the world's international problems which he made in the report he wrote, has at least contributed a great deal towards a possible solution. Once China can be released from the fear and pressure of Japanese conquest, there does not seem to be any reason why a settlement should not be arrived at. If this nation and the other nations of the world in this crisis are prepared to stand behind the League of Nations, to honour their signatures, then the Japanese Government will not face the music. The pressure of world public opinion is a very potent force. Its effect is not always immediate, but it is almost impossible for one single isolated country to stand up against the rest of the world when the rest of the world has decided that it is going to act in order to stop aggression which it considers unfair and unjust.

10.20 p.m.

Sir NAIRNE STEWART SANDEMAN: The hon. and learned Member for Bristol, East (Sir S. Cripps) has given me a good text. What are we to do? It is a difficult question to answer. So far as I can see we are going to do nothing but pass pious resolutions. We are not going to do this, and we are not going to do that. At the present moment China is ruled by bandits, and there is nothing that the ordinary Chinamen would like more than to have some sort of settlement by which they would know where they were getting. But we in this country, with our giving the lead to all the world, say that we are going to do nothing whatever to get a settlement in China, that we are not to give munitions to Japan. I frankly am pro-Japanese, entirely pro-Japanese, because I believe that the Japanese will settle the question in Manchuria and settle it very quickly, and the less time that is spent in settling the row in Manchuria the sooner we shall get on to doing trade in China. Frankly I wish we were in closer touch with Japan and were prepared to say that we were going into the Yangtse Valley. I know that that is not possible at the moment, but if we could do that I am certain that it would mean at once peace in China, and the poor

[Sir N. Stewart Sandeman.]

Chinese people would know that the next day's livelihood was safe and we could make goods and export them to China.

I listened to the speech of the Leader of the Opposition, and I thought it was perfectly wonderful as usual. But he forgot all about the question in which we are all very much interested, and that is the question of Manchuria. I notice that he did not touch upon it at all. The whole House is aware or ought to be aware that Russia jumped in there and annexed all the outer parts, but there was no word then about Russian aggression or the League of Nations, or what we were going to do to prevent Japan fighting against her. Why not? What is sauce for the goose is sauce for the gander. Personally I am very glad indeed that Japan has come in without fear and has said what she is going to do. The Japanese at least have a policy. It is to settle one part of the world and they are going to settle Manchuria. Of that I feel perfectly convinced. [AN HON. MEMBER: "And set up a National Government."] No, they will not set up a National Government. They will set up a beneficient autocracy, which is possibly the best form of rule that you can get, as long as the autocrats are in touch with the people and know what the people really want. [*Interruption.*] The people know what they want, and what they want is real Conservative Government. They have always wanted it and always will want it.

I listened to the hon. Member for Whitehaven (Mr. Nunn), and he gave us the history of the matter. He has been in China and knows it very well. He came home. Even the hon. Member for Bridgeton (Mr. Maxton) will one day come home and his home will be with the Conservative party.

Mr. McGOVERN: He left it last year.

Sir N. STEWART SANDEMAN: What you imbibe in your infancy is bound to come out when your teeth are coming out, and in a few years I believe that the hon. Member for Bridgeton will be a thorough Conservative. The hon. Member for Whitehaven told us the exact position. He knows the country. I must say that he did not draw the picture against Japan. The Lytton Report may have leaned to the side of China to a certain extent. I read the report carefully. I thought it was rather biased, but it did give us the feeling that Japan was not getting quite a fair deal.

Then the matter came up before the League of Nations. We are all getting rather tired of the League of Nations. [HON. MEMBERS: "No."] Well, a great many of us are. I am certain that my hon. Friends above the Gangway on this side are not tired of it but I can tell them that a great many of the people of the country are. [HON. MEMBERS: "No."] The Leader of the Opposition is always very nice to me and lets me have my say, and eventually I generally prove to be right. I am certain that the court of the League of Nations was not the sort of judicial court to which the hon. Member for Whitehaven referred. They were bound to be swayed one way or the other by interests and by the feeling. "What is going to pay us best?" We know that that sort of thing goes on and a great many of us do not really trust the League of Nations for what I would call big decisions. The fact that they pronounced in favour of China has no effect upon me whatever.

If I had dared to interrupt the Leader of the Opposition during his speech I would have liked to ask him what explanation he had to offer of what happened in the case of Russia and Mongolia and why he did not make the awful outcry in that case that he has made because Japan has gone into Manchuria to protect her interests there. There are the railways, the treaties—everything that was promised to Japan. China went back upon that. It was not Japan's fault and Japan has had the pluck to assert her rights. As far as cotton goods are concerned, I hate Japan, but I do admire her pluck. She has not been afraid to come out and say, "I am going to do so and so and I do not care what you say to me." Right is might, and very often might is right, and the Japanese are going to carry out there what they have started, and the sooner the thing is finished the better. I do not see why we should not give Japan munitions to help her to finish it, because the sooner it is through the better for China and for everybody in that country.

10.28 p.m.

Sir J. SIMON: I do not think the Committee will desire me to reply at length on what has been a varied and interesting

Debate, but there are one or two observations which it would be proper to make at what may be the end of our discussion this evening. At the same time I should like to express to the Committee my own thanks and the thanks of the Government for the generally sympathetic way in which the decision they have reached—a difficult decision in a very difficult matter—has been received by the Committee. One observation naturally occurs to the mind of an older Member of the House in reviewing a Debate of this sort which deals with a distant part of the world where many of us have never been. We never have a Debate of this kind in the House of Commons in which it does not turn out that speeches will be contributed it may be from some unlikely quarters, based upon first-hand knowledge of the peoples and places concerned.

One of the very best features of the British House of Commons—striking today as it always is on such occasions—is that when the House of Commons sees that a speaker is talking of that which he knows, he is at once recognised as a man entitled to a double meed of attention. In the course of this Debate—I am not offering any preference as to opinions; I am merely noting the fact—we have had speeches from hon. Members like my hon. Friend the hon. Member for West Leicester (Mr. Pickering), like my hon. Friend the Member for Huddersfield (Mr. Mabane), like my hon. Friend the Member for Whitehaven (Mr. Nunn), all the more valuable because one felt that they were speaking from actual contact with these very difficult and complicated Oriental conditions, and I must add the altogether delightful, because so picturesque and so characteristic, speech of my right hon. and gallant Friend the Member for Newcastle-under-Lyme (Colonel Wedgwood). He began by telling us that every speech he had listened to, admirable as it might be, gave no clear indication of what the speaker himself would do if he had occupied a position of responsibility, and I am bound to say that that characteristic was very fully shared by his own.

Then there comes a speech of a slightly different character, for I am not aware that the speaker has any intimate personal knowledge of the region, the speech of my hon. Friend the Member for East Edinburgh (Mr. D. Mason), who revealed to the Committee more or less accurately—so far as I recall less rather than more—the contents or alleged contents of a private conversation between myself and himself, as he described it 18 months ago, in the Lobby, in the course of which, if his memory is better than mine, I said that opinions such as his were only entertained by bloody-minded pacifists. I can only point out that if this really occurred 18 months ago, at that time I was not Foreign Secretary, and I suspect that he really had that conversation with my right hon. Friend the Secretary of State for the Dominions.

Mr. D. MASON: If the right hon. Gentleman will allow me, I admit the advantage he has scored about the time, but as he referred in rather scathing terms to a private conversation, the Committee may think we met casually. He must remember, I am sure, that publicly before hon. Members, he asked me to come out with him into the Lobby. It is because of that fact that I referred to the conversation.

Sir J. SIMON: Now that the hon. Member has reminded me of the precise circumstances, and especially as it was not as much as 18 months ago, I remember it well. I believed it to be within my powers—and I am rather proud of my powers of exposition—to explain the contents of three Articles of the Covenant of the League to any reasonable man in the Lobby outside. I can only say that, after great patience, in the case of the hon. Gentleman I entirely failed. I recognise, if I may be allowed to say so, very sincerely and most respectfully the consideration and, I think, the public spirit which inspired the very moderate and careful statement that has just been made by my hon. and learned Friend the Member for East Bristol (Sir S. Cripps). It really would not be desirable that statements should be made at this time of day necessarily, without careful preparation and consideration, on the subject of sanctions. It really would not; it is much too grave a matter. While, of course, it is within the right of any Member of the Committee to raise, as he should with due discretion, this important subject, as far as I am concerned, and as far as the Government are concerned, that is a matter on which we really cannot undertake to make any assertion without the most mature consideration as to time and circumstances. It does not, of

[Sir J. Simon.]

course, follow that people who speak most loudly and frequently about the reserve of sanctions are necessarily promoting most effectively the efficiency of the League.

> "He who, in quest of quiet, 'silence' hoots,
> Is apt to make the hubbub he imputes."

I do not desire that there shall be any hubbub on such a subject. The decision of the Government announced to-day is, as has been admitted on all hands, a very significant step, a very definite step, and a very grave step, one which we could not possibly have reached single-handed speaking for our own country without consultation with others if it involved differential treatment. I agree with the right hon. Gentleman opposite that different considerations apply when you are considering what may be the possible interactions. You are bound to await the results of inquiries and consultations, and I think that it would be very imprudent, and I do not think in the end at all useful if one tried to anticipate or define too precisely the result.

I have shown the House and the country, and, I think I may claim, shown the world that this Government and this country really do desire to see what they can do effectively for the purpose of promoting the position of the League and the peace of the world. We do that in the most friendly spirit towards both Japan and China, and we do not think that we are doing it to the prejudice of either; that is to say, if we stop the export of arms to both countries, we are not favouring one more than another. There were many minute facts to consider before that could be asserted with confidence. That is not the purpose nor intention of what we are doing. Our purpose is quite simple and definite. We ranged before our minds what are the possible alternatives. You may say, "I will do nothing," or you may say, "I will wait until I ascertain that there will be universal agreement through all the nations of the world." We have decided that there is perhaps a better course to take than that. It is not possible—and I do not think that this proposition has been challenged in the whole of this Debate—for a single nation, situated as we are in the Far East, on our own motion by ourselves, and without reference to others, to take discriminatory action. We were faced with the simple alternative—simple to state, easy to realise, but not so very easy to exercise judgment upon.

I hope and believe that the view of the Committee to-night and the view of the country to-morrow will be that, faced with the alternative as between doing nothing and doing the one thing that we could do, we have chosen rightly, for we desire to see that that which can be done shall be done effectively in the hope that we may find international agreement as to what can be done in the future. I have again to tender to the Committee my thanks for their treatment—which is always kind—of me personally, and of the policy of the Government. It is consistent with the view that has been taken in this matter from the beginning, and I hope that the announcement that has been made from this Box to-night will clear away a great many misunderstandings. After all, in all these matters of foreign policy, really and truly, sensible and decent people of all parties want to do the same thing. When there is a difference between us it is not because one of us is trying to do what is evil and another is a pillar of light; it is because, possibly, additional information, further warning, complications not suspected by others are the things which may make the conduct of foreign policy seem slow. I would sooner be slow than expose my country to some risks which one has calmly to face. I believe our decision to-night is one which is going to be supported by the judgment of the country, because, though it may have taken some time to reach it, the decision itself is right.

Question, "That Item Class II, Vote I, (Foreign Office) be reduced by £100," put, and negatived.

Original Question put, and agreed to.

Resolution to be reported upon Thursday; Committee to sit again To-morrow.

The remaining Orders were read, and postponed.

ADJOURNMENT.

Resolved, "That this House do now adjourn."—[*Captain Margesson.*]

Adjourned accordingly at Seventeen Minutes before Eleven o'Clock.

HOUSE OF COMMONS.

Tuesday, 28th February, 1933.

The House met at a Quarter before Three of the Clock, Mr. Speaker *in the Chair.*

PRIVATE BUSINESS.

Private Bills (Standing Orders not previously inquired into complied with),

Mr. Speaker laid upon the Table Report from one of the Examiners of Petitions for Private Bills, That in the case of the following Bills, referred on the Second Reading thereof, the Standing Orders not previously inquired into, which are applicable thereto, have been complied with, namely:

Frimley and Farnborough District Water Bill.

Great Western Railway Bill.

Bills committed.

Durham Corporation Bill,

Read a Second time, and committed.

St. Helens Corporation Bill (by Order),

Second Reading deferred till Thursday, th March.

ORAL ANSWERS TO QUESTIONS.

SCOTLAND.

Housing.

1. **Mr. McGOVERN** asked the Secretary of State for Scotland the number of houses built by the Glasgow Corporation in the Shettleston Parliamentary area during each year since 1st January, 1919; the number being constructed at present; and how many of these are of slum clearance, intermediate and ordinary types?

The UNDER-SECRETARY of STATE for SCOTLAND (Mr. Skelton): I am sending the hon. Member a statement which gives the information asked for.

2. **Mr. McGOVERN** asked the Secretary of State for Scotland the areas that have built houses and the number under the 1930 Slum Clearance Act and the amount of rent charged for two, three, and four apartments in each area?

Mr. SKELTON: I am sending the hon. Member a statement which gives the information asked for.

National Health Insurance Panel Committee.

4. **Mr. McGOVERN** asked the Secretary of State for Scotland the reason for allowing doctors who have no panel practice to serve on the National Health Insurance Committee of the borough of Glasgow; and are they required to pay subscriptions similar to the panel doctors?

Mr. SKELTON: The arrangements for the appointment of Panel Committees in Scotland are laid down in regulations, of which I am sending the hon. Member a copy. These regulations provide that only medical practitioners who are under agreement to treat insured persons shall be entitled to take part in the election of members of Panel Committees, that all the members shall be duly qualified medical practitioners, and that not less than two-thirds of the members shall be practitioners under agreement to treat insured persons. I have no reason to think that the provision whereby these committees may include a certain proportion of non-panel practitioners is other than a desirable one. The arrangement under which the administration expenses of the Panel Committee for the Burgh of Glasgow are defrayed by means of a system of voluntary subscriptions by practitioners is a private one made, I understand, by the practitioners themselves.

Mr. McGOVERN: Can the hon. Gentleman tell me whether it is a breach of the rules to allow medical men who have no panel practice to serve, or is it in conformity with the rules?

Mr. SKELTON: It is in conformity with the rules, with the qualification that the hon. Member will see in my answer.

Test Work, Montrose.

7. **Mr. BUCHANAN** asked the Secretary of State for Scotland if he is yet in the position to make any statement regarding the position of the County Council of Angus and test work at Montrose?

Mr. SKELTON: I am informed that at a recent meeting the Montrose Joint Committee, who administer public assistance in the area, decided to recommend that the arrangement in operation at Montrose for setting able-bodied applicants for relief to work should be discontinued. The Department of Health for Scotland have asked the county clerk to arrange that the recommendation will be submitted to the Public Assistance Committee and the county council for consideration at the earliest opportunity. I understand that pending a decision by the county council the test work scheme has been suspended.

Mr. BUCHANAN: I thank the hon. Gentleman for that reply.

LAND SETTLEMENT, AYRSHIRE.

8. **Lieut.-Colonel MOORE** asked the Secretary of State for Scotland whether he can make any statement with regard to the experimental scheme of his Department for placing unemployed men on the land in Ayrshire?

The SECRETARY of STATE for SCOTLAND (Sir Godfrey Collins): The Department of Agriculture for Scotland had arranged with proprietors to make land for plots available at Galston, but the applicants for these plots declined to take them when the Department were ready to give entry. At Auchinleck, where, also, a number of men applied for plots, the Department have been unable to obtain suitable land. Inquiries are proceeding in other districts.

AGRICULTURE.

OATS AND OATMEAL (IMPORTS).

3. **Mr. JAMES STUART** asked the Secretary of State for Scotland whether he has completed his investigation into the question of imported oats, oatmeal and oatmeal products; and, if so, whether he is in a position to make a statement as to the action he proposes to recommend in order to assist the home grower?

Sir G. COLLINS: The question of imported oats, oatmeal and other oat products is still under my consideration, and as it affects the United Kingdom as a whole, I am in consultation with the Minister of Agriculture and Fisheries as to the steps, if any, that can be taken to assist the home grower.

Mr. STUART: Is my right hon. Friend aware that last week oats were being sold in the North of Scotland at a lower price than has ruled for over a century, and does he realise the urgency of the matter? Will my right hon. Friend consider the advisability of prohibiting the importation of foreign oats?

Sir G. COLLINS: I realise the serious position in the North of Scotland, and I cannot at present say anything except that I appreciate the gravity of the situation.

Mr. BOOTHBY: When will my right hon. Friend be in a position to make an announcement on the question?

Sir G. COLLINS: I would rather not commit myself as to time.

Mr. R. W. SMITH: Does the word "shortly" with regard to oats mean the same as it did with regard to credits schemes for farmers, which have taken months?

Sir G. COLLINS: As my hon. Friend knows, that matter is not under the jurisdiction of my office.

24. **Mr. BARCLAY-HARVEY** asked the President of the Board of Trade if, having in view the low price obtainable for oats grown in this country at the present time, he will take the opportunity of the discussions which are taking place with the Argentine Government to secure a reduction of the quantity of oats imported from that country?

The PRESIDENT of the BOARD of TRADE (Mr. Runciman): I cannot undertake to discuss details of the negotiations while they are in progress, but I can assure my hon. Friend that no relevant considerations are being overlooked.

Mr. BARCLAY-HARVEY: Is it the right hon. Gentleman's opinion that the question of oats is a relevant consideration.

26. **Mr. R. W. SMITH** asked the President of the Board of Trade if, in view of the serious position of the oat producers of this country, he will take steps to prohibit or limit the importation of foreign oats or oat products?

28. **Mr. BOOTHBY** asked the President of the Board of Trade whether in view of the fact that the average wholesale price of oats in Germany during 1932 was nearly double the wholesale price of oats consigned from Germany and marketed in this country, he will take immediate steps to prohibit or control the importation of oats into this country?

Mr. RUNCIMAN: I have no power to prohibit or control the importation of oats into this country. As regards the question of my hon. Friend, the Member for Aberdeen, East (Mr. Boothby), he was informed in answer to a question on 22nd February, that the oats imported in 1932, shown as consigned from Germany, were not of German origin.

Mr. SMITH: As the right hon. Gentleman has no power to prohibit foreign oats, will he take steps to obtain such power from this House?

Mr. RUNCIMAN: My colleague the Minister for Agriculture is more concerned in this than the Board of Trade.

Mr. BOOTHBY: Can the right hon. Gentleman say what difference it makes to the Scottish farmer whether oats sold at this price in this market were of German origin or not? They broke the market, and why should it make any difference whether they were of German origin or not?

Mr. RUNCIMAN: I was asked whether oats were consigned from Germany or not, and I have given the answer.

27. **Mr. BOOTHBY** asked the President of the Board of Trade whether, in view of the fact that the German Government assists the export of oat products and sowing oats to this country, he will take immediate steps to prohibit or control their importation?

29. **Mr. BARCLAY-HARVEY** asked the President of the Board of Trade whether, in view of the fact that certain exported German oat products obtain the benefit of Government assistance, he will take steps to prohibit their import into this country?

Mr. RUNCIMAN: As has been explained in reply to previous questions on this subject, under the German export bond system the exporter of oat products is given a certificate which entitles him to import an equivalent quantity of oats duty free. The certificate has no value unless imports take place, and the German Government take the view that no subsidy on export is, therefore, involved. In any case I have no power to prohibit or control imports of the commodities in question.

Mr. BOOTHBY: I beg to give notice that, owing to the very unsatisfactory nature of the replies of the right hon. Gentleman, I will raise this matter on the adjournment at the earliest opportunity.

BANKRUPTCIES.

35. **Mr. CONANT** asked the President of the Board of Trade the number of bankruptcies during each of the last five years among farmers occupying 50 acres or more, and those occupying less than 50 acres?

Mr. RUNCIMAN: I regret that the information desired is not available.

MEAT QUOTAS.

44. **Mr. T. WILLIAMS** asked the Minister of Agriculture if he will make available for Members the proposals that he has submitted to the Governments of all meat exporting countries for the regulation of all meat supplies required by this country?

The MINISTER of AGRICULTURE (Major Elliot): I assume that my hon. Friend has in mind the programme for the voluntary regulation of imports which is being undertaken in order to steady the meat market, and I would refer him to the reply which was given on the 9th February last to my hon. Friend the Member for Colchester (Mr. Lewis) to which I have at present nothing to add. I am sending my hon. Friend, for his information, a copy of the notice issued to the Press on 25th January, which was referred to in that reply.

COAL INDUSTRY.

PIT-HEAD BATHS.

9. **Mr. PARKINSON** asked the Secretary for Mines the number of mines in England and Wales that have pit-head baths; and what further action is being taken to increase the facilities for washing and cleaning at the pit heads?

The SECRETARY for MINES (Mr. Ernest Brown): 98 mines in England

[Mr. Brown.]

and Wales (besides 28 in Scotland) have pit-head baths in use, and bath installations are in course of erection under the Mining Industry Act, 1926, at 35 other mines in England and Wales and 10 in Scotland. These numbers exclude baths for mine officials only. According to present plans, from 30 to 35 additional mines will be provided with baths annually under the Mining Industry Act, 1926.

OVERTIME.

10. **Mr. TINKER** asked the Secretary for Mines if he will have an inquiry made into the overtime worked at coal mines, in view of the increase of this practice during recent years through the greater use of machinery, coal cutters and conveyors, and of the fact that employment for more men would be provided by the regulation of this practice?

Mr. E. BROWN: I am not quite clear what form of inquiry the hon. Member has in mind. All cases of overtime found by the Inspectors of Mines, or brought to their notice, are investigated, and if the overtime is found to be worked improperly the necessary steps are taken. If the hon. Member will give me particulars of any such cases I will see that they are inquired into.

Mr. TINKER: Is the Minister aware that last week he gave an answer to a question showing that in four mines in Nottinghamshire the average overtime worked was 3 per cent., and, if that is the average over the whole of the country, there are 24,000 more men who could be employed if the overtime was eliminated? It is on those lines that I want the hon. Gentleman to inquire.

Mr. E. BROWN: Averages are most misleading things to take. The overtime which is legitimate is emergency overtime. That is the only overtime that is permissible under the law, and if it were barred, so far from increasing employment, it might conceivably interfere with the regular employment of men on ordinary shifts.

Mr. TINKER: I have asked the Minister to make inquiries to see what ground there is for my assertions.

Mr. E. BROWN: If the hon. Member has any particular cases to bring to my notice, I shall be glad to have them looked into. He will understand that there was a great deal of talk about this matter three years ago in Yorkshire, and there was an inquiry, and the result did not support the assertions that were made before the inquiry.

Mr. MAXTON: In the event of my bringing a specific case from Scotland, will the Minister prevent the men who report that case from being victimised by their employers?

Mr. E. BROWN: The hon. Member knows that if cases are found where overtime is being worked illegally—the conditions are laid down in rules made under the Act of 1908—then the inspectors of my Department take instant action.

Mr. T. WILLIAMS: An answer from the Minister's Department on Tuesday showed that at one colliery in Nottinghamshire 1,400 hours overtime were worked in one month. Will he make inquiries into that?

Mr. E. BROWN: Certainly.

Mr. C. BROWN: Is the Minister aware that under the regulations men are down a colliery from seven in the morning to eight and nine o'clock at night regularly, and does he not think that there is need for review in such cases?

Mr. E. BROWN: If that is so, I am surprised that the hon. Member has not called my attention to it.

15. **Mr. BATEY** asked the Secretary for Mines the number of hours overtime worked in or about the coal mines of the county of Durham for the month of January or the latest available month?

Mr. E. BROWN: I am afraid that records of the kind the hon. Member desires are not kept, as the time and expense involved would be out of all proportion to the usefulness of the information. If the hon. Member has any information as to alleged illegal working of overtime, and will give me particulars, I will have inquiries made?

Mr. BATEY: Is it not the case that last week a representative of the Minister stated the number of hours of overtime worked in particular cases?

Mr. E. BROWN: An answer of that kind can always be given in the case of a particular pit, but the hon. Member in this question is asking, not in respect of a particular pit, but in respect of the whole county area, and my answer is accurate. The records are not such as would enable me to give him an answer in the form which he desires.

Mr. BATEY: But would it not be possible for the Minister to inquire into this matter?

Mr. E. BROWN: I have already done the utmost I can. I have offered to look into any case or cases which hon. Members care to bring up.

HOURS CONVENTION.

11. **Mr. MARTIN** asked the Secretary for Mines whether, as a result of the recent meeting at Geneva, he can make a statement of Government policy with regard to the Convention for the Limitation of Miners' Hours?

Mr. E. BROWN: The policy of His Majesty's Government in regard to this Convention has not undergone any change since it was announced in this House on 23rd February last year by my predecessor in office, in answer to a question by the hon. Member for Chester-le-Street (Mr. Lawson). I am sending my hon. Friend a copy of this answer. At the recent further meeting at Geneva of the representatives of the seven Governments principally concerned, I restated our policy in the same terms. In the course of the discussion which took place, I explained that upon examination of the details of the Convention we had found that it is quite impracticable, under the conditions obtaining in this country, to give effect to the provisions dealing with the hours of continuous shift workers, and with week-end work, as they stand and that the former of these difficulties, at least, would presumably arise in other countries also. I made it clear that Great Britain, while being favourably disposed to the Convention, and supporting the principle of simultaneous ratification, could only ratify it in a form which would enable its provisions to be observed in this country both in the letter and in the spirit. The meeting took note of the two points of practical difficulty, upon which they were unable to state an opinion; and considered that a further possible unofficial meeting of Government representatives could not usefully be contemplated until the International Labour Office had collected information as regards the manner in which the two questions have in practice been settled in the countries concerned.

Mr. MARTIN: Can the hon. Gentleman say whether Great Britain is the only country which at the present time finds difficulty in ratifying the Convention? Has he seen in the German "Deutsche Allgemeine Zeitung" a statement of the German attitude?

Mr. BROWN: No, we are not the only country. I have seen a report of the German declaration made at Geneva, as printed in the German newspaper, and it is in the following terms:

> "It would be a source of satisfaction to the German Government if, by the simultaneous ratification of the Convention concerning the limitation of hours of work in coal mines, the gaps between the prime costs of the most important coal dealers could be narrowed even partly, and for its own part the Government would be prepared to collaborate to this end. But it can set no hopes on such a course of action so long as its results are liable at any time to be called into question by disturbances in the domain of currency and of international movements of capital and goods. It, therefore, considers that the question of ratification cannot profitably be discussed until these disturbances have been removed."

Mr. MARTIN *rose*——

Mr. SPEAKER: This is developing into a Debate.

WAGES.

12. **Mr. GORDON MACDONALD** asked the Secretary for Mines whether, in view of the refusal of the Mining Association to consider along with the Miners' Federation of Great Britain any question of the wages position as it will arise at the end of the present arrangement between the Government and the Association in July of this year, he will state what action the Government intend to take in this matter?

Mr. E. BROWN: I am not prepared to assume, as the hon. Member apparently does, that wages difficulties will arise in the mining industry next July. Wages are regulated by district wage agreements, and I know of no case in which it is proposed to seek an alteration of the existing agreement in July. In these circumstances I do not understand in what direction and for what reason the hon. Member suggests that the Government should take action.

Mr. MACDONALD: Is it the intention of the Government to assist the Miners' Federation to bring about national negotiation with the Mining Association on wages?

Mr. BROWN: The hon. Member knows that that has been the policy of the Government from the beginning. He also knows that meetings have taken place on a national basis on other questions, and he will further realise that, apart from compulsory arbitration, it is not so easy to rebuild these things as it is to break them down.

Mr. MACDONALD: May we take it that the Government disapprove of the action of the coalowners in refusing to negotiate on wages nationally?

Mr. BROWN: The answer to that question is that it is the Government policy to assist in every way a national agreement on the wages question in the mining industry.

Mr. T. WILLIAMS: Is the hon. Gentleman not aware that a letter was received in his Department on 9th February from the Miners' Federation intimating that the coalowners had point-blank refused to negotiate with the Federation on wages?

Mr. BROWN: I have already answered that question. I have pointed out that, apart from compulsory arbitration, it is difficult to see what other useful steps we can take.

Mr. WILLIAMS: On a point of Order. A colleague of the Minister misled the House—I am certain quite innocently—on this day week, when he gave a reply indicating that no information was available with regard to the negotiations on wages having broken down. We are merely asking whether it is not the case that such information was at the Minister's disposal on that date.

HON. MEMBERS: Where is the point of Order?

Mr. SPEAKER: It does not seem to me that any point of Order arises.

LOW-TEMPERATURE CARBONISATION.

14. **Mr. JOHN WALLACE** asked the Secretary for Mines whether he is aware of the proposals recently propounded for the development of low-temperature carbonisation in Scotland on a large scale with a central refinery at Rosyth or Port Edgar for treating the oils obtained; and whether he is taking steps to assist the scheme being carried out in the near future, and to ascertain the accuracy of the statistical data which have been published in this connection?

Mr. E. BROWN: The proposals to which my hon. Friend refers are, I believe, those which were outlined in a Debate in another place on 7th December last. While the commercial development of low temperature carbonisation is undoubtedly making some progress in this country I do not regard the particular scheme referred to as one which it would be practicable to carry out in the near future. I have had the data which has been published examined but there is not sufficient material available to me at present to enable me to say that it would be possible in practice to secure the results claimed.

Mr. WALLACE: Is the hon. Gentleman aware that the Duke of Montrose is reported to have said that with a capital of £8,000,000, for a low-temperature carbonisation scheme of this nature there would be an annual return of £2,000,000; and further is he aware that a return on capital of this nature is what poor Members of Parliament have been seeking anxiously for a long time?

Mr. BROWN: I cannot take any responsibility for the calculations made or for the statements made.

Mr. WALLACE: Can the hon. Gentleman give us some idea as to when his inquiries into the statistical data will be complete?

Mr. BROWN: The statistical information given in connection with this particular statement of the scheme is not sufficient to enable me to give an answer to my hon. Friend as to the value of the scheme propounded.

QUOTAS AND OUTPUT.

13. **Mr. DAVID GRENFELL** (*for* **Mr. GEORGE HALL**) asked the Secretary for Mines the tonnage allocations and the actual output of coal for each district in this country, under the provisions of Part I of the Coal Mines Act, 1930; and the figures for each quarter for the years 1931 and 1932, respectively?

Mr. E. BROWN: As the answer includes a large number of figures, I am sending the hon. Member the information he requires. At the same time copies have been placed in the Library for the information of any other hon. Members who may be interested.

TRADE AND COMMERCE.

IMPERIAL PREFERENCE (COTTON GOODS).

17. **Mr. RANKIN** asked the Secretary of State for Dominion Affairs whether any special efforts and, if so, of what nature, are now being made to secure increased preference for cotton goods within the Empire?

The SECRETARY of STATE for DOMINION AFFAIRS (Mr. J. H. Thomas): I can assure the hon. Member that no chance of providing increased opportunities for the sale of cotton goods within the Empire will be neglected.

Mr. MAXTON: Is the right hon. Gentleman doing anything to encourage the sale of steel sleepers in various parts of the Empire?

Mr. THOMAS: Yes, and the hon. Member will be pleased to know that the Great Western Railway and the London Midland and Scottish Railway have doubled——

Mr. SPEAKER: Mr. George Hall.

CANADA (IMPORT DUTIES).

18. **Mr. MABANE** asked the Secretary of State for Dominion Affairs whether special import duties to compensate for exchange depreciation are levied by Canada now on imports from France or were so levied at any time since 1918?

Mr. J. H. THOMAS: French currency is not depreciated in relation to the Canadian dollar and no question therefore arises of dumping duty to compensate for depreciation. I understand that no such duty has in fact been imposed at any time since 1918 on account of exchange fluctuation.

19. **Mr. MABANE** asked the Secretary of State for Dominion Affairs if he will inquire from the Dominion Government whether the removal of the special duties to compensate for exchange depreciation levied by Canada on imports from this country is to be conditioned by the financial exigencies of Canada or by the fact that the exchange value of the pound sterling is no longer in fact depreciated?

Mr. THOMAS: The undertaking of His Majesty's Government in Canada as to the reduction and ultimate abolition of exchange dumping duty is set out in the second part of Article 17 of the agreement made with Canada at the Ottawa Conference; and there would not therefore appear to be any ground for the suggested inquiry.

Mr. MABANE: Do I understand that, although the pound sterling has achieved a new parity, and is stable at that parity, yet it will continue to be treated as depreciated currency and differently from other currencies that have altered their gold content but are similarly stable?

Mr. THOMAS: It is very interesting to know that the pound is now stable.

Mr. MABANE: May I ask for an answer to my question?

EXPORTS (CANADA).

21. **Mr. HICKS** asked the President of the Board of Trade if he will give the figures of increased exports to Canada since the grant of preferences arising out of the Ottawa Agreements?

Mr. RUNCIMAN: The modifications of duties provided for in the United Kingdom-Canada Trade Agreement came into force in Canada on the 13th October last. The declared value of the domestic exports of merchandise registered as consigned from the United Kingdom to Canada during the three months ended 31st December, 1932, amounted to £4,398,000, as compared with £4,124,000 during the previous quarter, and £4,285,000 during the corresponding quarter of 1931.

Mr. HICKS: Does the right hon. Gentleman regard the increase in these figures as anything appreciable or satisfactory?

Mr. RUNCIMAN: Yes, Sir, it is going in the right direction.

Mr. HICKS: Does the right hon. Gentleman think that inside of 10 years these figures will have appreciably increased?

IMPORT DUTIES (EMPIRE CONTENT).

23. **Colonel GOODMAN** asked the President of the Board of Trade what are

[Colonel Goodman.]
the percentages of Empire content now in operation in this country, and the main classes of imports which are affected?

Mr. RUNCIMAN: Under the regulations at present in force, goods manufactured in and consigned from a part of the Empire, with the exception of sugar, tobacco, optical glass and optical elements, must contain a minimum of 25 per cent. of Empire material and labour in order to qualify for Imperial preference. In the case of optical glass and optical elements, the required proportion is 75 per cent., while sugar and tobacco are subject to special provisions. Regulations recently made, which come into force on the 1st April next, will require an Empire content of 50 per cent. in respect of the main classes of manufactured goods, with the exception of textiles, chemicals, leather and paper.

Colonel GOODMAN: Is this the right hon. Gentleman's idea of an approach to uniformity of standard?

Mr. RUNCIMAN: It is as near as you can get thereto.

FOREIGN TRADE (NEGOTIATIONS).

25. **Mr. T. WILLIAMS** asked the President of the Board of Trade whether any progress has been made or any settlement arrived at in the negotiations for trade treaties between this country and the Governments of Denmark, Sweden, Holland and the Argentine?

Mr. RUNCIMAN: Negotiations with Argentina, Denmark and Sweden are proceeding; no negotiations with Holland have been undertaken.

Mr. WILLIAMS: Can the right hon. Gentleman state when they are likely to reach an agreement, and will he also tell us what results have been achieved up to date?

Mr. RUNCIMAN: I cannot name a definite date, but they are proceeding satisfactorily.

Sir ARTHUR MICHAEL SAMUEL: Has the right hon. Gentleman succeeded in obtaining a relaxation of the restrictions on exchange by the Argentine Government so that British exporters may receive payment for the goods they have sent to the Argentine?

Mr. RUNCIMAN: That is under discussion at the present moment.

34. **Mr. REMER** asked the President of the Board of Trade with which foreign countries negotiations are proceeding which prevent recent recommendations of the Import Duties Advisory Committee from being confirmed?

Mr. RUNCIMAN: It has been deemed advisable to defer a decision on certain recommendations of the Import Duties Advisory Committee in the present stage of the commercial negotiations and discussions with Denmark and Germany.

Mr. REMER: Will the right hon. Gentleman answer that part of my question which asks what countries these are?

Mr. RUNCIMAN: I am afraid I cannot go into that question at the moment.

Mr. REMER: Will the right hon. Gentleman take into consideration that pottery is one of the articles referred to in this recommendation as very large users of coal in this country, and that it would be very valuable for our coal industry?

Mr. RUNCIMAN: We will not allow pottery to slip out of mind.

DENMARK.

31. **Mr. HANNON** asked the President of the Board of Trade if he is aware that an understanding has been arrived at with the Danish Government at the Anglo-Danish Exhibition, 1932, that applications for export licences would be accepted on the basis of an exchange of 18.50 kronen to the pound sterling; but that following on this arrangement licences are being issued on the basis of 19.20 kronen to the pound sterling; and if he will invite the Danish Government to implement the undertaking which they have given?

Mr. RUNCIMAN: I am not aware that the Danish Government have given any such undertaking as is described in the first part of the question. The remainder of the question, therefore, does not arise.

Mr. HANNON: Oh, but surely the right hon. Gentleman has been made aware of the negotiations that took place at Copenhagen at the time of the Anglo-Danish Exhibition, and will he take into conideration in the negotiations now proceeding the undertaking given by the Danish Government to the British manufacturers?

Mr. RUNCIMAN: But there was not an undertaking of the nature described in this question.

Mr. HANNON: Is the right hon. Gentleman aware that at the Anglo-Danish Exhibition specific promises were made to British manufacturers in relation to Danish trade, and are these promises in point of fact now being implemented by the Danes?

Mr. RUNCIMAN: As far as we know, they are.

33. **Mr. HANNON** asked the President of the Board of Trade if he is aware that British firms were assured at the Anglo-Danish Exhibition, 1932, at Copenhagen that they would receive licences for at least 45 per cent. of the volume of export to Denmark in 1931; and if this agreement has been carried out by the Danish Government?

Mr. RUNCIMAN: The Danish law provides that in general no importer shall have his imports of any particular class of goods restricted to less than 45 per cent. of the value of the same kind of goods imported by him in 1931, and so far as I am aware this provision is being observed by the Danish licensing authorities.

MACHINE TOOLS (IMPORT DUTY).

32. **Mr. HANNON** asked the President of the Board of Trade if he can give an assurance that the tariff of 25 per cent. on the import of machine tools into this country will be continued for a period of time sufficient to give British firms, prepared to produce foreign tools under royalty in this country and therefore employing increased British labour, the opportunity of expanding their production under the tariff?

Mr. RUNCIMAN: The present rate of duty on machine tools is 20 per cent. *ad valorem.* My hon. Friend can rest assured that the efforts being made by certain manufacturers to increase the output of machine tools in this country would be taken into account in the event of any proposals arising for a reduction in the duty.

Mr. HANNON: Does my right hon. Friend mean by that answer that manufacturers of machine tools in this country will be justified in putting additional capital into this experiment?

Mr. RUNCIMAN: I do not see why they should not do so, with the present rate of duty, which is 20 per cent. *ad valorem.*

MILK CHOCOLATE.

36. **Sir PATRICK FORD** asked the President of the Board of Trade whether he is aware that the importation of skimmed milk into this country on advantageous terms as compared with full cream condensed milk or milk powders is discouraging the manufacture of milk chocolate of a high nutritive value in favour of milk chocolate of a low nutritive value; and will he consider a marking order to distinguish the two kinds of milk chocolate or some other method of encouraging the manufacture and sale in this country of the more nutritive variety?

Mr. RUNCIMAN: There is no power under the Merchandise Marks Act to make an Order of the kind suggested. Questions of quality in relation to foodstuffs are more within the province of my right hon. Friend the Minister of Health.

Sir P. FORD: Are we to understand that the appropriate action is for the manufacturers concerned to apply to the Import Duties Advisory Commission?

Mr. RUNCIMAN: I have no doubt that, if they apply to that commission, the commission will give attention to their representations.

SPAIN (IMPORT RESTRICTIONS).

22. **Mr. GODFREY NICHOLSON** (*for* **Captain SOTHERON-ESTCOURT**) asked the President of the Board of Trade the nature of the further restrictions to be imposed against the imports of British coal into Spain; and whether, in view of the fact that the trade balance between Great Britain and Spain is in favour of the latter country, he can make any statement on the subject?

Mr. RUNCIMAN: I cannot at present add anything to the answer given by my hon. Friend the Secretary for Mines on the 23rd February to the hon. Member for

[Mr. Runciman.]
Aberdare (Mr. G. Hall) and the hon. Member for Consett (Mr. Dickie).

Mr. NICHOLSON: Are negotiations in progress?

BRITISH ARMY.

JERSEY.

37. **Sir A. M. SAMUEL** asked the Financial Secretary to the War Office the number of regular troops in Jersey; the number of staff officers in the island; and their pay and emoluments?

The FINANCIAL SECRETARY to the WAR OFFICE (Mr. Duff Cooper): There are three officers and three other ranks of the Regular Forces in Jersey, of whom two of the officers are the Lieutenant-Governor and his staff captain. For information as to the rates of pay of these latter officers, I would refer my hon. Friend to Appendix 8 of the current Army Estimates.

Sir A. M. SAMUEL: Is the staff officer in Jersey provided, in addition to his pay, with a house?

Mr. COOPER: I cannot answer that question offhand.

PENSIONS.

38. **Mr. ROBINSON** asked the Financial Secretary to the War Office whether he will consider altering the rules governing the award of pension to ex-service men who served in campaigns prior to 1914-18, so as to permit birth certificates instead of the date of birth given on attestation to be taken as evidence of present age?

Mr. COOPER: No, Sir. It is not proposed to alter the rule whereby the age given by a recruit on his first attestation is accepted as his correct age throughout his army career for various purposes, including the assessment of his pension. My hon. Friend will appreciate that it would not always be in the soldier's interest to make this alteration.

Mr. BURNETT: Will the hon. Gentleman arrange that men, on attestation, shall be made aware that any understatement of age will prejudice their claim to pension?

Mr. COOPER: I think it would naturally occur to anybody, if they were contemplating making a false statement, that it might have some deleterious effect on their later career.

TERRITORIAL REVIEW.

39. **Brigadier-General NATION** asked the Financial Secretary to the War Office whether it is intended that representative detachments from all over the country shall take part in the Territorial review which it is proposed to hold this summer, or whether it is to be confined to those stationed in the vicinity of London?

Mr. COOPER: It has not yet been decided whether it will be possible to hold a review, but, if it is held, it will be confined to troops in the vicinity of London.

Brigadier-General NATION: Can the hon. Gentleman state whether a Territorial officer will be given supreme command of that parade?

Mr. COOPER: It is too early to give a decision with regard to that question.

Brigadier-General NATION: In view of the fact that the Territorial Army is no less than 45,000 under strength at present, does not the hon. Gentleman think that, if a Territorial officer could be given an important command of this nature, even for one day, it would be a great stimulus?

Mr. COOPER: Yes.

Mr. MAXTON: If it should be decided by the Government to hold such a review, would the cost of that review be met out of the existing Estimates, or would there be a Supplementary Estimate?

Mr. COOPER: It would be met out of the existing Estimates.

40. **Brigadier-General NATION** asked the Financial Secretary to the War Office whether any proportion of the £900,000 that is to be included in this year's Estimates for Territorial training will be devoted towards the cost of the proposed Territorial review; and, if so, how much?

Mr. COOPER: No, Sir.

REMOUNTS.

42. **Lieut.-Colonel MOORE** asked the Financial Secretary to the War Office the number and value of remounts purchased

or the Army during 1932 from the Irish Free State, Northern Ireland, Scotland, nd England and Wales; and whether, in iew of the recent abolition of the light-orse breeding subsidy, he proposes to make any increase in purchases from the wo latter sources during the current ear?

Mr. COOPER: I will, with my hon. nd gallant Friend's permission, circulate n the OFFICIAL REPORT the figures for which he asks in the first part of the uestion. As regards the second part, I would refer him to the reply which I gave n 11th July last to my Noble Friend the Member for Roxburgh and Selkirk (Earl f Dalkeith).

Lieut.-Colonel MOORE: Would the on. Gentleman say in anticipation of the ircularisation of the information that the orses purchased in England and Scotland are equal to the stamp of those reviously purchased in Ireland?

Mr. COOPER: Yes, Sir, I think they re.

Following are the figures:

Place.	Number of remounts purchased in 1932.	Amount paid.
		£
rish Free State ...	265	14,563
orthern Ireland..	456	25,006
cotland	24	1,570
ngland and Wales	690	45.814
Total ...	1,435	£86,953

IGHTING SERVICES (REJECTED RECRUITS).

41. **Mr. LUNN** asked the Financial ecretary to the War Office how many en who offered themselves for the Army uring 1931 and 1932 were rejected on edical or other grounds?

Mr. COOPER: The figures for the recruiting year 1930-31 were 82,682 men erved with notice papers and 46,818 reected. The corresponding figures for 931-32 were 70,418 and 41,667. The hon. Member will find these and other figures elating to recruiting in the General nnual Report on the British Army which ill be in the possession of Members in few days.

Mr. T. WILLIAMS: Does the hon. Gentleman attribute this large volume of rejections to a raising of the standard of military requirements or to a continuous deterioration in the physique of the men of this country?

Mr. COOPER: I do not think any such conclusion can be drawn from these figures. The standard goes up and down in different districts, in proportion to the number of recruits that are being obtained.

Viscountess ASTOR: Will the hon. Gentleman bear in mind that these rejections for ill-health would be very much fewer if the Government would go in for the policy of open-air nursery schools?

59. **Mr. LUNN** asked the First Lord of the Admiralty how many men who offered themselves for the Navy during 1931 and 1932 were rejected on medical and other grounds?

The PARLIAMENTARY SECRETARY to the ADMIRALTY (Lord Stanley): As the Admiralty requires only about one-fourteenth of the total number who offer themselves for the Royal Navy and Royal Marines, only the very best men are taken. In the financial year 1930-31, 43,453 men offered themselves. Of these, 38,028 were rejected by recruiters for miscellaneous causes, including obvious physical defects, and 2,451 on examination by medical officers. The comparable figures for 1931-32 are 47,054, 41,063 and 2,781.

60. **Mr. LUNN** asked the Under-Secretary of State for Air how many men who offered themselves for the Air Force during 1931 and 1932 were rejected on medical or other grounds?

Sir VICTOR WARRENDER (Lord of the Treasury): I have been asked to reply. The figures for men recruits for the calendar year 1931 were as follow: application forms completed 11,321: applications taken up 5,914, of which 3,768 were rejected. The corresponding figures for 1932 were 8,265, 2,042, and 1,255. It should be added that the requirements in 1932 were much below those of 1931.

Mr. LUNN: Does not the answer to this question show that we are heading towards a C.3 population?

Sir V. WARRENDER: No, Sir.

POLITICAL HONOURS SCRUTINY COMMITTEE.

45. **Colonel GRETTON** asked the Prime Minister who are the members of the Political Honours Scrutiny Committee appointed in accordance with the report of the Royal Commission on Honours; whether the committee is regularly consulted on all such honours; and when it last met?

The LORD PRESIDENT of the COUNCIL (Mr. Baldwin): The Political Honours Scrutiny Committee appointed by the present Government in accordance with the report of the Royal Commission on Honours is constituted as follows:

The right hon. Viscount Buckmaster, G.C.V.O. (Chairman).
The right hon. Lord Macmillan.
The right hon. G. N. Barnes, C.H.

The committee is regularly consulted on all proposed honours on account of political services. It last met on the 7th December, 1932, in connection with the New Year list.

Viscountess ASTOR: Was the committee consulted about Miss Amy Johnson?

NATIONAL FINANCE.

NEWFOUNDLAND (ADVANCE).

51. **Mr. LAMBERT** asked the Chancellor of the Exchequer the amount and the terms of the loan guaranteed by the British to the Newfoundland Government?

The CHANCELLOR of the EXCHEQUER (Mr. Chamberlain): His Majesty's Government has not guaranteed any loan to the Government of Newfoundland, but the United Kingdom share of the advance recently made to that Government by His Majesty's Governments in the United Kingdom and Canada is £166,570, being the sterling equivalent of 625,000 Canadian dollars. A Supplementary Estimate for this amount will shortly be presented to Parliament. The terms of the loan to replace this advance will be settled in the light of the report of the Royal Commission which is about to visit Newfoundland.

SPIRIT DUTIES.

47. **Sir WILLIAM DAVISON** asked the Chancellor of the Exchequer the amount of the duty per proof gallon on spirits in the year 1920, and the revenue derived therefrom; and the duty per proof gallon in 1932, and the amount of the revenue raised in that year?

Mr. CHAMBERLAIN: As the answer involves a table of figures, I will, with my hon. Friend's permission, circulate it in the OFFICIAL REPORT.

Sir W. DAVISON: Can my right hon. Friend say generally whether there has not been an enormous loss of revenue by reason of this continued high taxation; and does he recognise that this penal taxation is killing the goose that has laid so many golden eggs for the Treasury in the past?

Mr. CHAMBERLAIN: There has been a loss of revenue, but I should be sorry to enter into any exposition about it now.

Viscountess ASTOR: Does not the right hon. Gentleman think that those men who have given up beer and are drinking milk are doing good to the farmers?

Following is the answer:

Spirit Duties.

Rate per proof gallon.	Net amount of revenue received.
1920.	£
Prior to 20th April, 1920 ... ... 50s.	71,057,000*
On and after 20th April, 1920 ... 72s. 6d.	
1932 ... 72s. 6d.	33,776,000 (approximate figures).

* The figures for 1920 represent the net receipts in Great Britain and the whole of Ireland, those for 1932 relate to Great Britain and Northern Ireland only.

BEER DUTY.

46. **Sir W. DAVISON** asked the Chancellor of the Exchequer the total amount raised by Beer Duty to the nearest available date in the current financial year; and how this compares with the Estimates given to the House last year?

Mr. CHAMBERLAIN: The approximate amount of revenue derived from the Beer Duty during the period from 1st April, 1932, to 31st January, 1933, was £64,554,000; the Budget Estimate for the financial year ending 31st March, 1933, was £80,000,000.

Sir W. DAVISON: Does my right hon. Friend not recognise that the friendly warnings which he received a year ago as to the likelihood of this taxation being seriously diminished if it were retained at its present penal amount were justified?

Mr. CHAMBERLAIN: My hon. Friend is comparing 10 months with 12, and it is perhaps too soon to draw a final conclusion.

BANKS (NATIONALISATION).

50. **Mr. T. WILLIAMS** asked the Chancellor of the Exchequer whether the Government will consider drawing up schemes for nationalising big banking concerns similar to that approved by a resolution passed by the landtag of Bavaria?

Mr. CHAMBERLAIN: No, Sir.

Mr. WILLIAMS: Will not the right hon. Gentleman consider this in relation to our present situation?

Mr. CHAMBERLAIN: The circumstances of the resolution appear to be rather curious; I understand that it was carried by a combination between Nazis and Socialists and was opposed by the Communist party.

Mr. WILLIAMS: As it seems to have met with the general approval of all parties, does not the right hon. Gentleman think that he ought to consider it?

Mr. CHAMBERLAIN: The report which I have seen about the resolution is that it is not to be considered as anything more than a demonstration.

BRITISH MUSEUM (ENTOMOLOGICAL DEPARTMENT).

52. **Mr. G. NICHOLSON** asked the Financial Secretary to the Treasury whether he will consider the advisability of authorising the appointment of the five assistant keepers in the entomological department of the British Museum (Natural History) included in the Civil Estimates for the current year, in consideration of the valuable work performed by the department and the deterioration which shortage of staff is causing to the collections?

The FINANCIAL SECRETARY to the TREASURY (Mr. Hore-Belisha): The Estimates for the current year show the number of assistant keepers which it is intended at a future date to appoint in the British Museum (Natural History) but do not include money provision for the posts in question. The staff of the Museum has recently been strengthened by a net addition of two to the superior staff. A further increase is not considered warranted in present circumstances. I do not accept the view that the collections are deteriorating.

Mr. NICHOLSON: Will the hon. Gentleman consider the appointment of those assistant keepers who have been provided for in the Estimates in view of the opinion widely held among entomologists that the collection is suffering, and that the work of the Museum, which is of Colonial and Imperial value, is also suffering in consequence?

Mr. HORE-BELISHA: I have informed my hon. Friend that I do not consider that the collections are deteriorating, but, if they were, the deterioration would be more academic than vital.

Mr. NICHOLSON: Will the hon. Gentleman visit the Museum once more?

Mr. HORE-BELISHA: Yes, Sir.

RATES (LICENSED PREMISES).

53. **Sir NAIRNE STEWART SANDEMAN** asked the Financial Secretary to the Treasury whether he can give figures showing the decreased rateable value of licensed houses for the past year?

Mr. HORE-BELISHA: I regret that figures of the nature desired are not available.

Sir N. STEWART SANDEMAN: Will the hon. Gentleman tell me what the effect of Schedule A is?

Mr. HORE-BELISHA: No, Sir.

Captain DOWER: Is the hon. Gentleman aware that four-fifths of the licensed houses in northern industrial parts are applying to have their rateable values decreased, and that they include many in the neighbourhood of Rotherham?

Mr. HORE-BELISHA: I do not know whether or not that is the fact, but the test would be whether they succeed in obtaining reductions.

AFFORESTATION.

55. **Sir A. M. SAMUEL** asked the hon. and gallant Member for Rye (Sir G. Courthope), as representing the Forestry Commissioners, whether any record is kept showing the percentage of trees planted by the Commission that have lived; and what has been thus far the over-all average cost per living tree defrayed out of public funds?

Colonel Sir GEORGE COURTHOPE (Forestry Commissioner): Records are kept and show that 77.5 of the trees planted by the Forestry Commission have lived. It is estimated that the over-all average cost per living tree has been $2\frac{1}{5}$d.

Mr. MAXTON: Will the hon. Gentleman tell us in what part of the country the death-rate is highest?

Sir G. COURTHOPE: I should want notice of that question.

ROYAL NAVY (SISAL CORDAGE).

58. **Mr. WISE** asked the First Lord of the Admiralty what progress has been made in the trials in His Majesty's fleet of cordage made from East African sisal in substitution for cordage made from foreign fibres; and whether a statement can now be made as to the adoption of sisal for the purpose?

Lord STANLEY: The trials in question have been concluded and the results are sufficiently promising to warrant the partial adoption of sisal for making ropes for His Majesty's Naval Service. The Admiralty have decided, therefore, that so long as supplies of East African sisal can be obtained at satisfactory prices, a substantial proportion of the service requirements for towing hawsers, heaving and hauling lines shall be made from this fibre in lieu of manila, also that sisal shall be used exclusively for a number of small ropes which have hitherto been made from manila. If sisal cordage continues to give satisfactory service, the question of its more general adoption will be considered.

Mr. WISE: May I ask the Noble Lord if the report which has been supplied to the Vegetable Fibres Committee of the Imperial Institute can also be supplied to representatives of the sisal industry in this country?

Lord STANLEY: The Admiralty report has been sent to the Advisory Committee on Vegetable Fibres of the Imperial Institute, which body has been working hand in hand with the Admiralty in investigating the possibilities of sisal. Copies of the report were circulated to members of the committee with the request that it should be regarded as strictly confidential until the question of publication has been considered at a meeting to be held to-morrow.

HOUSING (SLUM CLEARANCE).

61. **Sir PERCY HURD** asked the Minister of Health whether he is satisfied that rural housing authorities realise the applicability to certain rural areas of the subsidy under the Slum Clearance Act, 1930; and, if not, whether he will make a statement for their guidance?

The PARLIAMENTARY SECRETARY to the MINISTRY of HEALTH (Mr. Shakespeare): The point is one that can be made when the general circular is issued after the present Bill is passed. My right hon. Friend will consider what further action in the direction suggested by my hon. Friend may be desirable.

Sir P. HURD: Can the hon. Gentleman say what the Government subsidy under the Slum Clearance Act of 1930 means in terms of rent?

Mr. SHAKESPEARE: The subsidy is £2 10s. per person displaced, and, if five persons were displaced from a house, a subsidy of that kind plus the rate subsidy of £3 15s. would amount to a subsidised rent of about 5s. a week for 40 years, so it is very favourable.

POOR LAW.

CASUAL WARDS, CUMBERLAND.

62. **Mr. CAPE** asked the Minister of Health the number of persons that have passed through the casual wards in the County of Cumberland during the years 1930, 1931, and 1932; and what representations have been made by his Department that more casual wards should be opened in that county?

Mr. SHAKESPEARE: A count of casuals is only made on Fridays. The highest number so counted in the three years mentioned was 92 in June, 1931. In 1929 the Ministry of Health suggested that two wards should be reopened and this was done.

EXPENDITURE.

63. **Major OWEN** asked the Minister of Health what proposals the Government has in contemplation for relieving the increasing burden imposed upon local authorities due to the additional demands for public assistance?

Mr. SHAKESPEARE: My right hon. Friend is not in a position to add anything to the statement made by him in the course of the Debate on the Financial Resolution introduced for the purposes of the Local Government (General Exchequer Contribution) Bill.

Major OWEN: Is the hon. Gentleman aware that in the case of Carnarvonshire the estimates for the coming current year have disclosed an increase of 8d. in the rate, and does he not think that something should be done by the Government to meet the enormous increases which are taking place throughout the country?

Mr. SHAKESPEARE: These increases are being considered by the Government in connection with the whole survey of the question.

LOCAL LOANS, NORTH WALES.

64. **Major OWEN** asked the Minister of Health what was the total amount of loans outstanding due from local authorities in each of the six North Wales counties for the years ended 31st March, 1922, and 31st March, 1932, respectively, in respect of housing and of other loan expenditure?

Mr. SHAKESPEARE: I will send the hon. and gallant Member a statement giving the desired information so far as it is available.

CANADA (DEPORTATIONS).

16. **Mr. MANDER** (*for* **Mr. GRAHAM WHITE**) asked the Secretary of State for Dominion Affairs the number of British citizens who were deported from Canada through becoming a charge on public funds during 1931 and 1932?

Lieut.-Colonel J. COLVILLE (Secretary, Overseas Trade Department): In the years ending March, 1931, and March, 1932, the last two years for which figures are available, the numbers of British deportees from Canada were 3,099 and 4,248 respectively. It is not possible to state how many of these British deportees were deported through becoming a charge on public funds, but of the total number of deportees of all nationalities in the same periods, 51 per cent. and 64 per cent. respectively, were deported for that reason.

Mr. MAXTON: Can the Minister say how many of them were taken out originally under the Empire Settlement Act?

Lieut.-Colonel COLVILLE: I am not able to answer that question without notice.

Viscountess ASTOR: Can the hon. and gallant Gentleman say how many have been deported as being dependent on public charity?

Lieut.-Colonel COLVILLE: I cannot answer that question without notice.

RACEHORSE "ROYAL RANSOM" (CUSTOMS DUTY).

54. **Mr. BERNAYS** (*for* **Sir PERCY HARRIS**) asked the Financial Secretary to the Treasury on what date and at what port the racehorse Royal Ransom was received in England from the Irish Free State; and what was the amount of customs duty paid?

Mr. HORE-BELISHA: The disclosure of particulars regarding the transactions of individual importers, which are obtained by the Customs for official purposes only, is open to obvious objections and would be contrary to well established practice. I see no reason to depart from the usual rule in this instance.

Mr. BERNAYS: Is the hon. Gentleman aware that this particular horse, within six months prior to its entry into this country, had changed hands for £5,000; and is he further aware of the serious allegations being made that pressure was brought upon the Customs officials to put a low and fictitious value upon the horse?

Mr. HORE-BELISHA: I am aware of a great many facts, but, as I have said, it is not our policy to disclose individual

[Mr. Hore-Belisha.]

transactions. I can, however, assure my hon. Friend, if he is in any doubt about the matter, that the Customs have in the past and will in the future vigilantly protect the interests of the taxpayer.

Mr. BERNAYS: As these are serious allegations, will the hon. Gentleman make inquiries?

Mr. HORE-BELISHA: I have already made inquiries, and that is why I have been able to answer the question.

Mr. BUCHANAN: Is the hon. Gentleman aware that the sum paid in duty was only one-fifth of the value of the horse, which was sold afterwards within six months? It sold for £5,000 and duty was paid on less than one-fifth of £5,000. Is he aware that this was a direct method of evading the tax, and will he, in the public interest, see that some public statement is made on this subject?

Mr. HORE-BELISHA: I think I have told the House that I am aware of a good many facts, but I cannot necessarily relate them to this particular question. I do, however, assure the House that every care is taken to avoid any evasion of tax, and proper action is pursued in every case.

Mr. BUCHANAN: But does the Department take any steps where a horse is deliberately valued at a fictitiously low price, and afterwards passes at a much higher value, to recover duty on what is the obvious value of the horse?

Mr. HORE-BELISHA: Certainly, wherever any wrong is done to the community appropriate action is always taken.

Mr. MAXTON: Is the hon. Gentleman satisfied in this case——

HON. MEMBERS: Rothschild!

Mr. de ROTHSCHILD: Is the hon. Gentleman aware that there is a great deal of dissatisfaction among racing people on this very point, and will he satisfy public opinion by stating definitely that the right value was put on this horse, that the right amount was paid, and that there was no bribery, as is alleged, of Customs officials?

Mr. HORE-BELISHA: I hope that if it be necessary to take any action public opinion will be fully satisfied.

SUNDAY ENTERTAINMENTS (CINEMAS).

56. **Mr. LOGAN** (*for* **Mr. THORNE**) asked the Secretary of State for the Home Department the number of local authorities which have taken a referendum for the opening of cinemas on Sundays; the number in favour and the number against; the number of authorities which have voted in favour but which the Government have vetoed; and the reason for such veto?

The SECRETARY of STATE for the HOME DEPARTMENT (Sir John Gilmour): I have no information of the number of polls under the Sunday Entertainments Act at which the majority voted against the Sunday opening of Cinemas; for the local authorities are not required to notify me when proposals in favour of such Sunday opening have been defeated. Polls at which the majority voted in favour of the Sunday opening of cinemas have been held in 14 areas; and in three further areas a decision in favour of Sunday opening was reached without a poll being required. The Government have no authority to veto an application for the extension of section 1 of the Sunday Entertainments Act to a new area; but one such application, in respect of the Urban District of Sidcup, was rejected by this House on the 14th February.

DONCASTER DRAINAGE AREA.

Mr. T. WILLIAMS (*by Private Notice*) asked the Minister of Agriculture if he has any information as to the condition in the Bentley and Lower Don area regarding floods and, if so, what steps have been taken to warn local residents of the impending danger?

Major ELLIOT: I have been in telephonic communication with the Clerk of the Doncaster Drainage Board, and am informed that, although the River Don rose yesterday, there is still a considerable margin, and there is no danger at present of any floods in the Bentley and Arksey area. I was assured that should any danger arise the Drainage Board would at once notify the local authorities interested and warn them of any impending danger.

Mr. WILLIAMS: In case the Don should rise to the danger point, may I sk whether the wireless can be used as a eans of warning the residents of the nger?

Major ELLIOT: I will keep any sugstion of that kind in mind.

LICENSED PREMISES (BEER GLASSES).

57. **Mr. THORNE** asked the Home ecretary if he is aware that it is mpossible to obtain draught-beer in a easured half-pint glass in certain censed premises at Streatham; and hether, as this is contrary to the Regutions, he will take any action in the atter?

Sir J. GILMOUR: My attention has ot been drawn to the particular circumances mentioned, but they do not ppear to afford any ground for action n my part. The law requires a licensee, he serves half-a-pint, or more, to serve in a measure marked according to the mperial standards, but no offence, I am dvised, is committed if he declines to erve half-a-pint.

BUSINESS OF THE HOUSE.

Mr. LANSBURY: May I ask the Lord resident of the Council, in the event of the Motion on the Paper being carried, how far he intends to go to-night?

Mr. BALDWIN: We hope to get the first two Orders, but it is not our intention to ask the House to sit late.

Mr. LANSBURY: I would like to point out that the second Order is a very important and contentious one, and I think that we should not start it at a late hour.

Mr. BALDWIN: No. I expressed my hope. If the second Order should prove too contentious, we shall certainly not ask the House to sit late to discuss it.

Mr. MAXTON: Does the right hon. Gentleman expect to get the first Order before Eleven o'clock?

Mr. BALDWIN: Oh, yes, I quite expect to.

Motion made, and Question put, "That the Proceedings on Government Business be exempted, at this day's Sitting, from the provisions of the Standing Order (Sittings of the House)."—[*Captain Margesson.*]

The House divided, Ayes, 290; Noes, 37.

Division No. 53.] AYES. [3.43 p.m.

land, Rt. Hon. Sir Francis Dyke
land-Troyte, Lieut.-Colonel
gnew, Lieut.-Com. P. G.
nsworth, Lieut.-Colonel Charles
bery, Irving James
len, William (Stoke-on-Trent)
nstruther-Gray, W. J.
oplin, Lieut.-Col. Reginald V. K.
stbury, Lieut.-Com. Frederick Wolfe
stor, Viscountess (Plymouth, Sutton)
aldwin, Rt. Hon. Stanley
alfour, Capt. Harold (I. of Thanet)
iniel, Lord
arclay-Harvey, C. M.
arrie, Sir Charles Coupar
eauchamp, Sir Brograve Campbell
eaumont, Hon. R. E. B. (Portsm'th, C.)
eit, Sir Alfred L.
enn, Sir Arthur Shirley
ernays, Robert
rchall, Major Sir John Dearman
indell, James
oothby, Robert John Graham
oulton, W. W.
ower, Lieut.-Com. Robert Tatton
owyer, Capt. Sir George E. W.
oyd-Carpenter, Sir Archibald
iscoe, Capt. Richard George
roadbent, Colonel John
rocklebank, C. E. R.
rown, Brig.-Gen. H. C. (Berks., Newb'y)
rowne, Captain A. C.
chan-Hepburn, P. G. T.
urghley, Lord
urgin, Dr. Edward Leslie
urnett, John George
Cadogan, Hon. Edward
Campbell, Edward Taswell (Bromley)
Campbell-Johnston, Malcolm
Caporn, Arthur Cecil
Castle Stewart, Earl
Cautley, Sir Henry S.
Cayzer, Sir Charles (Chester, City)
Cayzer, Maj. Sir H. R. (Prtsmth., S.)
Cazalet, Thelma (Islington, E.)
Chamberlain, Rt. Hon. N. (Edgbaston)
Chapman, Col. R. (Houghton-le-Spring)
Chorlton, Alan Ernest Leofric
Christie, James Archibald
Clarke, Frank
Colfox, Major William Philip
Collins, Rt. Hon. Sir Godfrey
Colville, Lieut.-Colonel J.
Conant, R. J. E.
Cook, Thomas A.
Cooke, Douglas
Cooper, A. Duff
Copeland, Ida
Courtauld, Major John Sewell
Courthope, Colonel Sir George L.
Cranborne, Viscount
Crookshank, Col. C. de Windt (Bootle)
Crookshank, Capt. H. C. (Gainsb'ro)
Cross, R. H.
Crossley, A. C.
Culverwell, Cyril Tom
Curry, A. C.
Davies, Maj. Geo. F. (Somerset, Yeovil)
Davison, Sir William Henry
Denman, Hon. R. D.
Dickie, John P.
Dower, Captain A. V. G.
Drewe, Cedric
Duckworth, George A. V.
Dugdale, Captain Thomas Lionel
Duggan, Hubert John
Duncan, James A. L. (Kensington, N.)
Dunglass, Lord
Elliot, Major Rt. Hon. Walter E.
Elliston, Captain George Sampson
Elmley, Viscount
Emmott, Charles E. G. C.
Emrys-Evans, P. V.
Entwistle, Cyril Fullard
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Evans, Capt. Ernest (Welsh Univ.)
Everard, W. Lindsay
Falle, Sir Bertram G.
Fermoy, Lord
Fielden, Edward Brocklehurst
Foot, Isaac (Cornwall, Bodmin)
Ford, Sir Patrick J.
Fox, Sir Gifford
Fuller, Captain A. G.
Gilmour, Lt.-Col. Rt. Hon. Sir John
Glossop, C. W. H.
Gluckstein, Louis Halle
Goff, Sir Park
Goldie, Noel B.
Goodman, Colonel Albert W.
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Granville, Edgar
Grattan-Doyle, Sir Nicholas
Gretton, Colonel Rt. Hon. John
Grimston, R. V.
Guinness, Thomas L. E. B.
Gunston, Captain D. W.

Guy, J. C. Morrison
Hales, Harold K.
Hamilton, Sir George (Ilford)
Hamilton, Sir R. W.(Orkney & Zetl'nd)
Hannon, Patrick Joseph Henry
Harris, Sir Percy
Hartland, George A.
Harvey, George (Lambeth, Kenningt'n)
Harvey, Major S. E. (Devon, Totnes)
Headlam, Lieut.-Col. Cuthbert M.
Heilgers, Captain F. F. A.
Heneage, Lieut.-Colonel Arthur P.
Herbert, Capt. S. (Abbey Division)
Hills, Major Rt. Hon. John Waller
Hore-Belisha, Leslie
Hornby, Frank
Horobin, Ian M.
Howard, Tom Forrest
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M.(Hackney, N.)
Hunter, Dr. Joseph (Dumfries)
Hurd, Sir Percy
Hurst, Sir Gerald B.
Hutchison, W. D. (Essex, Romf'd)
Inskip, Rt. Hon. Sir Thomas W. H.
Iveagh, Countess of
Jackson, Sir Henry (Wandsworth. C.)
James, Wing Com. A. W. H.
Johnston, J. W. (Clackmannan.
Johnstone, Harcourt (S. Shields)
Jones, Henry Haydn (Merioneth)
Ker, J. Campbell
Kerr, Hamilton W.
Kimball, Lawrence
Lamb, Sir Joseph Quinton
Lambert, Rt. Hon. George
Law, Richard K. (Hull, S.W.)
Leckie, J. A.
Leech, Dr. J. W.
Lees-Jones, John
Leighton, Major B. E. P.
Lewis, Oswald
Liddall, Walter S.
Lindsay, Noel Ker
Llewellyn-Jones, Frederick
Locker-Lampson, Rt.Hn. G.(Wd. Gr'n)
Loder, Captain J. de Vere
Lovat-Fraser, James Alexander
Lumley, Captain Lawrence R.
Mabane, William
MacAndrew, Lieut.-Col. C. G.(Partick)
MacAndrew, Capt. J. O. (Ayr)
McEwen, Captain J. H. F.
McKeag, William
McKie, John Hamilton
Maclay, Hon. Joseph Paton
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Macmillan, Maurice Harold
Magnay, Thomas
Maitland, Adam
Mander, Geoffrey le M.

Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. R.
Marsden, Commander Arthur
Martin, Thomas B.
Mason, David M. (Edinburgh, E.)
Mayhew, Lieut.-Colonel John
Mills, Major J. D. (New Forest)
Mitchell, Harold P. (Br'tf'd & Chisw'k)
Mitchell, Sir W. Lane (Streatham)
Molson, A. Hugh Elsdale
Moore, Lt.-Col. Thomas C. R. (Ayr)
Morris, John Patrick (Salford, N.)
Morris, Owen Temple (Cardiff, E.)
Morris-Jones, Dr. J. H. (Denbigh)
Morrison, William Shepherd
Moss, Captain H. J.
Muirhead, Major A. J.
Nall-Cain, Hon. Ronald
Nation, Brigadier-General J. J. H.
Nicholson, Godfrey (Morpeth)
Nicholson, Rt. Hn. W. G. (Petersf'ld)
North, Captain Edward T.
Oman, Sir Charles William C.
Ormiston, Thomas
Ormsby-Gore, Rt. Hon. William G. A.
Palmer, Francis Noel
Pearson, William G.
Percy, Lord Eustace
Petherick, M.
Peto, Sir Basil E. (Devon, Barnstaple)
Peto, Geoffrey K. (W'verh'pt'n, Bilst'n)
Potter, John
Pownall, Sir Assheton
Procter, Major Henry Adam
Pybus, Percy John
Raikes, Henry V. A. M.
Ramsay, Capt. A. H. M. (Midlothian)
Ramsay, T. B. W. (Western Isles)
Ramsden, Sir Eugene
Rankin, Robert
Rathbone, Eleanor
Rawson, Sir Cooper
Rea, Walter Russell
Reed, Arthur C. (Exeter)
Reid, Capt. A. Cunningham-
Reid, James S. C. (Stirling)
Reid, William Allan (Derby)
Remer, John R.
Rentoul, Sir Gervais S.
Renwick, Major Gustav A.
Robinson, John Roland
Ropner, Colonel L.
Ross, Ronald D.
Ross Taylor, Walter (Woodbridge)
Rothschild, James A. de
Ruggles-Brise, Colonel E. A.
Runciman, Rt. Hon. Walter
Runge, Norah Cecil
Russell, Albert (Kirkcaldy)
Russell, Alexander West (Tynemouth)
Rutherford, John (Edmonton)
Rutherford, Sir John Hugo (Liverp'l)

Salmon, Sir Isidore
Salt, Edward W.
Samuel, Sir Arthur Michael (F'nham)
Samuel, Rt. Hon. Sir H. (Darwen)
Sandeman, Sir A. N. Stewart
Savery, Samuel Servington
Scone, Lord
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Shepperson, Sir Ernest W.
Simon, Rt. Hon. Sir John
Sinclair, Maj. Rt. Hn. Sir A. (C'thness)
Skelton, Archibald Noel
Slater, John
Smith, Sir Jonah W. (Barrow-in-F.)
Smith, Louis W. (Sheffield, Hallam)
Smith, R. W. (Aberd'n & Kinc'dine, C.)
Smithers, Waldron
Somerville, Annesley A. (Windsor)
Soper, Richard
Southby, Commander Archibald R. J.
Spears, Brigadier-General Edward L.
Stanley, Lord (Lancaster, Fylde)
Stewart, J. H. (Fife, E.)
Stewart, William J. (Belfast, S.)
Storey, Samuel
Stourton, Hon. John J.
Strauss, Edward A.
Strickland, Captain W. F.
Stuart, Hon. J. (Moray and Nairn)
Stuart, Lord C. Crichton-
Sueter, Rear-Admiral Murray F.
Thomas, James P. L. (Hereford)
Titchfield, Major the Marquess of
Todd, Capt. A. J. K. (B'wick-on-T.)
Train, John
Tryon, Rt. Hon. George Clement
Turton, Robert Hugh
Vaughan-Morgan, Sir Kenyon
Wallace, John (Dunfermline)
Ward, Lt.-Col. Sir A. L. (Hull)
Ward, Sarah Adelaide (Cannock)
Watt, Captain George Steven H.
Wedderburn, Henry James Scrymgeour-
Wells, Sydney Richard
Weymouth, Viscount
Whiteside, Borras Noel H.
Williams, Charles (Devon, Torquay)
Wills, Wilfrid D.
Windsor-Clive, Lieut.-Colonel George
Winterton, Rt. Hon. Earl
Wise, Alfred R.
Womersley, Walter James
Wood, Rt. Hon. Sir H. Kingsley
Wood, Sir Murdoch McKenzie (Banff)
Worthington, Dr. John V.
Young, Rt. Hon. Sir Hilton (S'v'noaks)
Young, Ernest J. (Middlesbrough, E.)

TELLERS FOR THE AYES.—Sir Frederick Thomson and Sir Victor Warrender.

NOES.

Attlee, Clement Richard
Banfield, John William
Batey, Joseph
Brown, C. W. E. (Notts., Mansfield)
Buchanan, George
Cape, Thomas
Cocks, Frederick Seymour
Cove, William G.
Daggar, George
Davies, Rhys John (Westhoughton)
Edwards, Charles
George, Major G. Lloyd (Pembroke)
Graham, D. M. (Lanark, Hamilton)

Greenwood, Rt. Hon. Arthur
Grenfell, David Rees (Glamorgan)
Hall, F. (York, W.R., Normanton)
Hicks, Ernest George
Jones, Morgan (Caerphilly)
Kirkwood, David
Lansbury, Rt. Hon. George
Lawson, John James
Logan, David Gilbert
Lunn, William
McEntee, Valentine L.
McGovern, John
Maclean, Neil (Glasgow, Govan)

Maxton, James
Milner, Major James
Owen, Major Goronwy
Parkinson, John Allen
Price, Gabriel
Salter, Dr. Alfred
Tinker, John Joseph
Wallhead, Richard C.
Wedgwood, Rt. Hon. Josiah
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE NOES.—Mr. G. Macdonald and Mr. Groves.

VISITING FORCES (BRITISH COMMONWEALTH) BILL [*Lords*].

Reported, with Amendments, from tanding Committee A.

Report to lie upon the Table, and to e printed.

Minutes of Proceedings to be printed.

Bill, as amended (in the Standing Com-ittee), to be considered upon Monday ext, and to be printed. [Bill 62.]

MESSAGE FROM THE LORDS.

That they have passed a Bill, intituled, An Act to provide for the winding up of solvent assurance companies; and for rposes connected with the matter oresaid." [Assurance Companies Vinding up) Bill [*Lords.*]

And also, a Bill, intituled, " An Act to quire the fitting of speedometers to cer-in classes of motor vehicles; and for rposes connected therewith." [Road raffic (Speedometer) Bill [*Lords.*]

SSURANCE COMPANIES (WINDING UP) BILL [*Lords*].

Read the First time; to be read a econd time upon Monday next, and to printed. [Bill 63.]

WRITTEN ANSWERS.

SCOTLAND.

NATIONAL HEALTH INSURANCE, GLASGOW.

Mr. McGOVERN asked the Secretary State for Scotland the reason for the crease of the National Health Insurance anel Committee of the borough of lasgow from 30 to 51, in view of the rovisions of the National Health In-urance Panel Committee Regulation?

Sir G. COLLINS: I am sending the n. Member a copy of amending Regula-ons made by the Department of Health r Scotland on 21st April last which, as will observe, provide that the panel mmittee for the burgh of Glasgow ould consist of 56 persons instead of the rmer number of 30. The increase was thorised to provide, among other ings, for the fuller representation of medical practitioners in the city, whose numbers have very considerably increased since the original regulations were made.

HOUSING, GLASGOW.

Mr. McGOVERN asked the Secretary of State for Scotland the cost of building three-, four-, and five-apartment houses at Sandyhills, Glasgow, during 1923-24 and the estimated cost of three- and four-apartment houses that are in course of construction at Amulree Street and Strathord Street, Sandyhills; and what is the local and national subsidy on each house built in 1923-24 and those under construction at present, the rate of interest on borrowed capital, and the length of period for repayment in each case, and the owners' present rate per £ of rent?

Sir G. COLLINS: I am informed that the all-in cost of the three-, four- and five-apartment houses built by the corporation of Glasgow at Sandyhills during 1923-24 was £501, £650, and £750 per house, respectively, and that the estimated all-in cost of the three- and four-apartment houses in course of construction at Amulree and Strathord Streets is £396 and £477, respectively. The annual local and State subsidies, payable over a period of 60 years, for the earlier scheme are estimated at £7 8s. and £33 per house, respectively, for the current year. The State subsidy, payable over a period of 40 years, for the later scheme is £9 per house annually, but the local subsidy is not yet ascertainable as the rents have not been fixed nor has the final cost been determined. The rate of interest on borrowed capital in the earlier scheme is £4 18s. 2d. per cent., and in the later scheme £4 15s. per cent. In the earlier scheme the periods for repayment of loans are 60 years for land and houses, 40 years for sewers, and 20 years for streets. In the later scheme the periods of repayment are 40 years for sewers plus the capitalised value of the national and local subsidies, 20 years for streets, and 60 years for the balance of the expenditure. Local rates on owners are at present 5s. 6d. per pound of rental.

BRITISH INDUSTRIES FAIR.

Mr. HEPWORTH asked the Secretary to the Overseas Trade Department if he can make any statement as to the volume of business transacted at this year's British Industries Fair?

Lieut.-Colonel COLVILLE: I am glad to be able to state that, so far as my information goes, the first week of the British Industries Fair in London and Birmingham has been successful. The attendance of overseas buyers has been satisfactory, visitors from no less than 65 countries having registered during the first four days of the fair. The change in the conditions of admission in London has caused the number of home buyers to drop somewhat as compared with last year, but it is believed that, so far from harm being done, a useful purpose is being served by helping to ensure that only *bona fide* trade buyers gain admission during trade hours. Orders and inquiries are understood to have been on a satisfactory scale at all sections.

GAS AND ELECTRICITY UNDERTAKINGS.

Mr. DAGGAR asked the President of the Board of Trade if he will issue a statement showing the profits of the companies' and local authorities' gas undertakings in Great Britain for the years 1929, 1930, 1931, and 1932; the price paid per ton for coal; and similar particulars with regard to the generation of electricity and the production of coke?

Mr. RUNCIMAN: The profits of statutory gas undertakings (companies and local authorities) as shown in the Board of Trade Return relating to all Authorised Gas Undertakings in Great Britain for 1929, 1930, and 1931 (Part II Finance and Prices) and similar particulars as regards authorised electricity undertakings (supplied by the Ministry of Transport) for 1929 and 1930, are given below. The corresponding information for later periods is not yet available. No similar information as to the coke oven industry is available. As regards the price paid per ton for coal by the undertakings referred to, figures are given below for 1929 and 1930, in respect of electricity undertakings. For the other industries no particulars are available.

STATUTORY GAS UNDERTAKINGS.

Companies' Undertakings.

Year.	Total Capital (Share and Stock) paid up.	Total loan Capital (including debenture stock issued).	Revenue Account.		
			Receipts.	Expenditure.	Excess of Receipts over Expenditure.
	£	£	£	£	£
1929 ...	87,793,526	29,264,025	45,420,646	38,377,145	7,043,501
1930 ...	89,865,241	32,876,965	44,845,198	37,781,061	7,064,137
1931 ...	91,208,259	35,072,733	45,097,410	37,804,434	7,292,976

Local Authorities' Undertakings.

Year.	Total amount of money borrowed.	Total amount of loans repaid and balance in Sinking Fund.	Revenue Account.			Interest paid on loans, amount of loans repaid and amount placed to Sinking Fund during year.	Net Surplus.
			Receipts.	Expenditure.	Excess of Receipts over Expenditure.		
	£	£	£	£	£	£	£
1929–30	71,841,980	40,637,702	22,394,758	18,090,465	4,304,293	3,504,569	799,724
1930–31	74,142,698	43,707,360	22,141,602	17,894,018	4,247,584	3,534,520	713,064
1931–32	75,762,012	45,771,698	21,522,395	17,481,592	4,040,803	3.568,014	472,789

AUTHORISED ELECTRICITY UNDERTAKINGS.

(1) *Public Authorities.*

Year.	Capital Expenditure at end of year.	Gross Surplus.	Appropriation of Gross Surplus.		
			Interest.	Sinking Funds.	Balance, other purposes.
	£	£	£	£	£
29–30	200,291,250	15,538,862	5,847,449	6,198,557	3,492,856
30–31	216,455,119	16,360,093	6,249,807	6,642,667	3,467,619

(2) *Companies.*

Year.	Capital Expenditure at end of year.	Gross Surplus.	Appropriation of Gross Surplus.		
			Interest.	Dividends.	Depreciation and other purposes.
	£	£	£	£	£
29	126,778,903	12,158,128	2,323,106	4,681,725	5,153,297
30	137,642,919*	12,283,291	2,341,859	4,954,547	4,986,885

* NOTE.—Exclusive of expenditure on certain company Undertakings which were transferred to Joint Electricity Authority after December, 1930, but before 31st March, 1931, the purchase ice of such Undertakings being included in the figure for Public Authorities.

(3) *Coal.*

The average cost in 1929–30 and 1930–31, per ton of coal and coke, used in the generating tions of all authorised undertakers was 15s. 5d. and 15s. 11d. respectively, the amount of coke presenting between one and two per cent. only of the total coal tonnage.

OYAL ARTILLERY (PROMOTION).

Brigadier-General NATION asked the inancial Secretary to the War Office hether, in view of the slow rate of pro- otion prevailing in the Royal Artillery, s Department contemplates taking any eps to equalise, as nearly as possible, e rate of promotion in the different ms of the service?

Mr. COOPER: No new steps are der consideration, but when suitable portunities arise, selected captains and balterns of the Royal Artillery are considered for vacancies in cavalry regi- ents. I would also remind my hon. d gallant Friend that subalterns in the oyal Artillery are promoted on the com- etion of 13 years' service.

RATES, LANCASHIRE.

Mr. RANKIN asked the Minister of ealth the estimated increase in the tes in 1933 in each of the 12 most pulous towns in Lancashire?

Sir H. YOUNG: The following statement shows the estimated increase or decrease in the rate income in the year ending 31st March, 1933, as compared with the preceding year, in each of the 12 most populous county boroughs in Lancashire.

County Borough.	Increase (+) or decrease (—) in the year ending 31st March, 1933, compared with the preceding year.
	£
Liverpool	+ 596,273
Manchester ...	+ 286,931
Salford	— 49,856
Bolton	+ 30,538
Oldham ...	— 13,612
Blackburn ...	— 19,205
Preston	+ 1 471
St. Helens... ...	— 3,784
Rochdale	+ 16,180
Wigan	— 12,150
Warrington ...	— 5,240
Bootle	+ 23,192

WAGES.

Mr. HAMMERSLEY asked the Minister of Labour if he can give an index figure to indicate the general wages level for the year 1932 on the assumption that the general level of wages in 1924 was 100?

Sir H. BETTERTON: The information in the possession of the Ministry of Labour, which relates mainly to industries or occupations in which rates of wages are regulated either by collective agreements between organised groups of employers and workpeople, or by arbitration awards, or by statutory orders, indicates that the average level of full time weekly rates of wages in 1932 was approximately 4 per cent. below the average level of 1924. The available statistics do not enable me to compare the average levels of actual earnings in these two years.

Mr. HAMMERSLEY asked the Minister of Labour if he can furnish any statistics to show the actual amounts of the annual income received in the form of wages and salaries in the years 1924 and 1932?

Sir H. BETTERTON: I regret that the available information is insufficient to enable me to estimate the actual amounts of wages and salaries paid in these two years.

NIGHT WORK (WOMEN).

Mr. MANDER asked the Minister of Labour whether he proposes, in accordance with the report of the International Labour Office dealing with the night work for women Convention recommending the adjournment of the examination of the question till the next session with a view to considering any information or suggestion which might be submitted in the interval, to submit any such information or suggestions; and what reply has been made to the request to receive a deputation in connection with this subject?

Sir H. BETTERTON: The point before the International Labour Organisation is what action, if any, it should take in consequence of the opinion of the Permanent Court of International Justice that the Convention applies to women who hold responsible positions of management in the industrial undertakings covered by the Convention. When the proposal of His Majesty's Government to revise the Convention was rejected by the International Labour Conference in 1931 a doubt existed as to the interpretation of the Convention on this point, and it is now considered to be necessary to revise the Convention in respect of such women. This course, therefore, will be suggested to the Governing Body. The question of receiving a deputation primarily affects my right hon. Friend the Home Secretary, who is dealing with the matter.

UNEMPLOYMENT.

AGRICULTURAL WORKERS.

Sir A. KNOX asked the Minister of Agriculture the number of agricultural labourers unemployed in Norfolk, Suffolk, Essex, Cambridgeshire, Lincolnshire, and Yorkshire, respectively?

Major ELLIOT: I regret that no statistics are available of the numbers of agricultural workers who are unemployed, but according to such information as the Ministry possesses the situation in each of the counties mentioned by my hon. and gallant Friend is broadly as follows:

Norfolk.—As compared with last year unemployment has increased slightly. Although the total number of workers affected is reported to be considerable they are understood to be mostly of the casual type.

Suffolk.—Unemployment is reported to be somewhat widespread and much more considerable than a year ago.

Essex.—Unemployment is reported as considerable and appears to be rather worse than last winter.

Cambridge and Isle of Ely.—Unemployment appears to be slight except perhaps among casual workers in Isle of Ely.

Lincolnshire (Holland). — Position thought to be better than in neighbouring counties, and there is perhaps less unemployment than a year ago.

Lincolnshire (Kesteven and Lindsey).—Unemployment is reported as considerable and worse than a year ago.

Yorkshire (East, West and North Ridings). — Unemployment considerable and worse than last winter.

ORCHESTRAL MUSICIANS.

Mr. SUMMERSBY asked the Chancellor of the Exchequer whether, in view of the increase of unemployment among orchestral musicians due to the use of echanical music in theatres and cinemas, e will consider imposing further taxation pon mechanical music instruments?

Mr. CHAMBERLAIN: I have con- idered my hon. Friend's suggestion, but do not think that it would be prac- icable to impose such taxation upon echanical apparatus for the reproduc- on of music as would ensure its aban- onment in favour of the employment of rchestral musicians.

INCOME TAX (COMPANIES' RESERVES).

Mr. BRACKEN asked the Chancellor f the Exchequer if he will give the gures indicating the proportion of In- ome Tax payable by public and private ompanies as opposed to individuals, and s to the proportions in the first group pplicable to profits distributable as dividends and profits reinvested or applied to eserve; and if he will consider differen- ating between the tax payable by com- anies on profits distributed as dividends and profits reinvested or other- ise put to useful development schemes hich create employment?

Mr. CHAMBERLAIN: It is not ossible to divide up the receipt of the ncome Tax in the manner desired by y hon. Friend. I might however refer im to an answer given on 9th February st year in reply to a question by the n. Member for Stockton-on-Tees (Mr. acmillan) in which it was estimated hat in a normal year the cost of re- eving the undistributed income of com- anies from the standard rate of 5s. would e in the neighbourhood of £60,000,000. am afraid that I cannot undertake in uestion and answer to discuss the merits the issue raised by my hon. Friend as the incidence of the Income Tax on e reserves of companies. It has been ebated in this House on numerous occa- ons, and I have no doubt that it will be gain. All that I can say at the moment that, apart altogether from financial onsiderations, the difficulties—both of rinciple and of administration—inherent a differential rate for reserves have therto been found insuperable.

HOPS (BREWING).

Sir A. KNOX asked the Financial ecretary to the Treasury the amount of ritish hops consumed in British brewer- s in 1914, 1930 and 1932, respectively?

Mr. HORE-BELISHA: Information is only available as to the total quantity of hops used in brewing, and it is not possible to give the separate quantities of British hops used. The total quantities used in the years ending 30th September, 1914, 1930 and 1932, were respectively 559,424, 307,289 and 219,587 cwts.

POST OFFICE SAVINGS BANK.

Mr. CAPE asked the Postmaster-General the number of depositors, and the amount deposited, in the Post Office Savings Bank during the years 1929, 1930, 1931 and 1932, and the amounts withdrawn during the same years, respectively?

Sir K. WOOD: The figures required are:

Year	Number of Depositors.	Deposits.	Withdrawals.
		£	£
1929	9,834,267	77,420,706	87,951,890
1930	9,847,472	76,120,515	77,694,381
1931	9,764,103	72,024,875	79,821,058
1932*	9,684,000	90,287,000	81,163,000

* The figures for 1932 are approximate only, proved figures not being available yet.

PARENT COAL CORPORATION.

Sir J. HASLAM asked the President of the Board of Trade the date upon which the papers were first available for the use of the Official Receiver to enable him to investigate the affairs of the Parent Coal Corporation and provide a report to be laid before the court?

Mr. RUNCIMAN: Most of the books and papers of the company were handed to the Official Receiver on 1st July, 1932, but the books were returned to the secretary to enable him to prepare the Statement of Affairs and were retained by him for that purpose until 30th September, 1932. Since that date great difficulty and delay have been experienced in obtaining further papers relating to the company's business, and one of the most important documents was made available to the Official Receiver only a few days ago. I understand that the Official Receiver's report has now been made.

ORDERS OF THE DAY.

HOUSING (FINANCIAL PROVISIONS) BILL.

Order for Committee read.

The following Motion stood upon the Order Paper in the name of Mr. GREENWOOD:

"That it be an Instruction to the Committee that they have power so to modify Section one of the Bill as to ensure the continuance of the power of the Minister of Health to grant subsidies in respect of houses built in agricultural parishes."

3.51 p.m.

Mr. SPEAKER: It appears to me that this Instruction is unnecessary, as the Committee, if they thought fit to do so, could so modify Section 1 without any instruction from the House.

Bill considered in Committee.

[Sir DENNIS HERBERT in the Chair.]

CLAUSE 1.—(*Discontinuance of certain subsidies under* 13 *&* 14 *Geo.* 5. *c.* 24 *and* 14 *&* 15 *Geo.* 5. *c.* 35.)

3.52 p.m.

Mr. GREENWOOD: I beg to move, in page 1, line 11, after the word "house," to insert the words:

"(other than a house in an agricultural parish within the meaning of the Housing (Financial Provisions) Act, 1924)."

I cannot now argue the general question of the stoppage of the subsidy under the Act of 1924. The purpose of this Amendment is to make an exception in the case of houses in agricultural parishes. Members who were in the House in 1924 will remember that the Labour Government then made a distinction between urban houses and houses intended for agricultural workers or persons of like character. There was a good deal of discussion, in which several Members of the present Government took part, and we devised ultimately, out of committee discussions, a definition of an agricultural parish which would limit the special subsidy—the additional subsidy given under the Act of 1924—to those areas which were really agricultural areas. It is true that since the War, under the Housing Act of 1919, under the Act of 1923, and under the Act of 1924, a very large number of houses have been built in rural districts, but to-day the term "rural district council" does not in any way denote that the council's area is a rural area. There are, in many districts in this country, rural district councils whose areas are primarily urban, and the number of houses built under those Acts apart from the houses which qualified for a special subsidy under the Act of 1924 for rural workers, was comparatively small.

It is undoubtedly true that there is a special rural housing problem. It is a problem of two kinds. In the first place, there is the problem of the very old houses which are now overcrowded and ought to be replaced, and with it there is the question of the gradual shifting of the agricultural population. On the other hand, there is the larger question for which the Minister of Agriculture, and not the Minister of Health, is responsible—the revival of one of our most fundamental industries. If the housing problem in the countryside is to be dealt with adequately, our submission is that it will not be dealt with in this Measure, as under the terms of this Bill no houses will be built. If we take the number of houses which have been built in agricultural parishes—and that means that all the houses are intended for rural workers—if we take the number of houses built under the Act of 1924 in agricultural parishes up to the end of last year, we find that it was just over 26,000, namely, 26,208; and it is very interesting to observe that 24,500 of them were built by local authorities, and less than 1,700 of them were built by private enterprise. These 26,000 houses were a direct contribution to the problem of rural housing, but that contribution would not have been made had it not been for the special provisions in the Housing (Financial Provisions) Act of 1924. In effect, so far as we can ascertain the number of houses built specifically for agricultural and rural workers since 1924, out of every 23 or 24 only one has been built by private enterprise, and the rest have been built under the provisions of the Act.

It is admitted by hon. Members opposite, and by the right hon. Gentleman the Postmaster-General, who took part in piloting the Bill of 1926, the Housing (Rural Workers) Act, that there is a rural housing problem, and provision was made six years ago for local authorities to recondition rural housing. It is true that since that time an increased number of houses or buildings have been reconditioned and made habitable for people in the countryside, but the number is very small. I, myself, never believed in that Bill as a solution of the rural housing problem. Indeed, I remember when the Bill was originally introduced I moved its rejection. During my term of office I did my best, as I think hon. Members who were then in the House will admit, to get the best out of the Housing (Rural Workers) Act, and the number of houses reconditioned during 1930 and 1931 was very considerably larger than during the earlier days of the operation of the Act. I am not going to deny that last year the number was larger than it was in 1931, but the number of houses reconditioned is, on the whole, relatively small. I mention the Housing (Rural Workers) Act, because it is an admission of the reality of a rural housing problem, an admission made by the party which is the predominant partner in the National Government at the present time.

My contention is, that the rural district councils, which are rural in character and not semi-industrial, are so impoverished, their rateable value is so small, that they have to be helped in a way that urban districts need not be. That provision was made in the Act of 1924. My second contention is, that, having regard to the traditionally low rents in the countryside—it is a vicious circle: low wages, low rents; low rents, therefore low wages—it is not, even with the reduced cost of building to-day, an economic proposition for private enterprise to build houses in the rural area to house the workers. Even if it be true, which I do not admit, in the case of the urban areas, the urban district councils and the municipal boroughs and county boroughs, that they can do without special assistance from the State, that does not apply to the rural area, first, because private enterprise will not build there at the rents which can be charged to the agricultural workers; secondly, because the rural district councils could not, because of the restricted resources at their disposal, in any circumstances build without a subsidy, and could not, indeed, except in favoured areas, even with the very substantial subsidy which was given under the Act of 1924.

I could hope that the Government would give way on this point. We have to admit ourselves beaten temporarily on the major point as regards the abolition of the 1924 subsidy, but there is a powerful case, it seems to me, and one which ought to be accepted by hon. Members opposite, who represent agricultural constituencies to a greater extent than my hon. Friends behind me do. I am disappointed that the last Act placed on the Statute Book by the late Government, the Housing (Rural Authorities) Act has produced no result, because it has not been worked as it should have been. It has made, under the present administration, no contribution. We were to have devoted £2,000,000 to local authorities for the building of 40,000 houses. The latest figures presented to this House show that the Minister has given his approval to the acceptance of tenders in respect of 680 houses. That means that no attack has been made on the problem of rural housing. If it be true that agriculture is one of our fundamental industries, as I believe it is—hon. Members opposite know more about it than I do—if it be true that agriculture is an essential industry of the community, then it is clear, I think, that we ought to have regard to those people whose lives are bound up with the fortunes of that industry. Housing in the countryside is, indeed, a scandal.

Here is an opportunity, this being a National Government, to make an exception to the Government's policy of abolishing subsidies. Here is an opportunity to do something for those who are engaged in an important national industry. I think it is bound to be admitted on all hands that private enterprise, the building societies—such building societies as have taken part in this work—would never dream of going to the country villages, the little hamlets and building three cottages here, four there and 10 somewhere else. That is not the scale on which their operations would work. The Bill will fail to deal with the rural housing problem. If that problem is to be dealt with, it must be dealt with either nationally—and I am not committing myself to any kind of national building—or through local authorities. Local authorities cannot deal with it if the 1924 subsidy is to be taken away. With the utmost difficulty, under very considerable pressure, and then only in

[Mr. Greenwood.]
certain selected areas have we been able, with the very substantial subsidy given under the 1924 Act, to build in England and Wales 26,000 cottages.

The problem of the countryside is as serious as that in the towns, and relatively, even admitting the decline in the agricultural population, the problem is becoming more serious. The only solution I can see—and I am not trying to make a party case—is that in this Bill we should at least exempt from the operation of Clause 1 the powers of local authorities to build in agricultural parishes. I am not asking that the rural district councils, semi-urban and industrial in character, should be allowed a privilege that other industrial areas are not allowed. I am only asking that agricultural parishes, which are agricultural parishes as defined in the Act, should still receive public assistance. It is an awkward term to use in these days, but I am still asking that they should receive financial assistance in this case, for there is no way, short of that, of the problem of housing in the countryside being settled. I hope that on this point the Committee will be with me, and I hope that the Minister will be prepared to grant this very humble request, but one which, I am satisfied, is in the national interest.

4.11 p.m.

Sir PERCY HARRIS: I should like to add my plea, if it be necessary—I hope it is not necessary—to exempt these agricultural parishes. I have some confidence, because the Minister of Health built up the whole of his case for the withdrawal of the subsidy on the urban problem. He based his case on what has come to be known as the Ray report, on the suggestion that private enterprise in the towns, owing to the drop in costs and cheaper money, can now construct houses, but when interrupted and questioned on the rural problem, he did not seriously suggest that it applied to rural districts. It is common knowledge that with wages something like 30s. a week, it is impossible in most areas for the agricultural labourer to pay an economic rent. I have a very vivid memory of a discussion on the Housing (Rural Authorities) Act, associated with the name of Tudor Walters. That was an agreed Measure. It was the result of appeals from all parts of the House. The personality, character, energy and imagination of Sir Tudor Walters gave hope that as the result of that Act being provided with ammunition, the only kind of ammunition necessary, that is to say, money, a real attack would be made on the rural housing problem. That Act has disappeared practically into limbo. It is not in operation. I am going to suggest that if the Minister now will come forward and say that it is going to be revived, that the machinery is again to be put into operation, the need will largely disappear, and I do think that the conscience of the House, the common sense of the country, would demand that, whatever may be done in withdrawing the subsidy from the town problem, it should not be withdrawn in regard to agricultural housing.

A very important part of this Bill is Clause 2, which provides the new machinery for bringing into the housing of the working classes, for the first time on a large scale, the building societies. No one could suggest that the machinery of the building society can tackle the scattered problem of houses here, there and everywhere in the numerous rural parishes all over the country. I suggest that this Amendment, aiming at putting into operation the Sir Tudor Walters Act, should be accepted. Let the Minister try a new great experiment in the towns, and deal with this rural question on its own by special treatment. It may be said that, after all, I am a town Member, and what concern have I to go into the interests of rural parishes? Well, my answer is that there is a constant migration from the rural districts to the cities to compete for the only too scarce jobs at the dock-gates, the factory and the workshop. They will leave the rural districts because the agricultural labourer, when he gets married and starts on his own, finds it impossible to get a cottage or a house. The Minister would have the most meticulous economist on his side in drawing into the purview of the Bill the rural housing question.

4.16 p.m.

Mr. CHARLES WILLIAMS: Speaking as one who would naturally wish to see the largest amount of development in the countryside, I hope the Minister will not accept the Amendment. Every one of us knows that you would have development and expenditure of money in a great many ways in a great many areas, but many of us also realise that, although in the country districts you might have considerable improvement in the housing system, what we really want both in the country and in the towns is a restoration of general prosperity which will make the money flow back into the countryside and develop it in a natural way. The Government, as I understand , are laying it down as a definite matter of policy that subsidies of this kind should not be encouraged as a general rule, although there may be exceptions, and for that reason, realising that the larger side of the Government policy must be a general increase of prosperity, which can only be brought about by drastic reductions in taxation, although every instinct, every desire, and possibly every interest of mine would be to get money for development of the countryside in this way, yet it is essential, if the Government lay down these principles and Amendments are cleverly designed by the Socialist party to break right through the Government policy in this way, that we should resist those Amendments and make it clear that we are going to stand by the Government in their main policy and not be led away by what may seem very attractive at the moment. For that reason, I hope the Government will not accept the Amendment.

18 p.m.

Mr. PRICE: Coming from a district which has had difficulty in dealing with housing in small agricultural parishes, I want to add my plea to that of the Mover that the Minister should give this question serious consideration. I have been rather astonished at the urgent support given by hon. Members opposite representing agricultural districts to the removal of subsidies. Our experience has been that in the erection of rural housing in remote districts it is impossible for private enterprise to meet existing demands. Moreover, if prosperity does come to agricultural areas, you will have very great difficulty in retaining the youth there unless you provide through local authorities, to my mind the only authorities who can do it, with financial help from the Government, reasonable, sanitary, social housing conditions. It is a mistake to speak of the agricultural labourer to-day as you would have done 20 or 30 years ago. He is as intelligent as the hon. Member for Torquay (Mr. C. Williams), and he fully appreciates reasonable, sanitary housing conditions for his wife and children.

I do not wish to put any blame on anyone, but the agricultural labourer has never had in the whole history of the country reasonable and fair conditions of housing. There has been some change since 1924 and a certain number of houses equipped with modern sanitary conditions have been erected, which have been greatly appreciated by men and women who never before have had an opportunity of living in a house with a fresh water supply and reasonable sanitary arrangements. I was speaking only last week to one of the most eminent agriculturists in the country, formerly a Member of the House. I was asking for his observations on this Bill as a man purely interested in agriculture. He admitted that one of the difficulties in keeping the youth in the countryside was housing conditions and the lack of houses when the youth who worked on the land is thinking of taking a wife and making a home of his own. The modern youth looks for something better than his grandfather had and, unless you provide it, he will go into the thickly-populated towns to get for his wife and bairns the improved housing and social conditions which are lacking in his own district.

The building societies cannot possibly meet housing necessities in the remote agricultural areas. If we desire to keep in the countryside permanent residents who understand their job, instead of having people rushing into the towns, there are obligations on us to continue the subsidy; otherwise the problem will not be dealt with. A lot has been said during the reign of the National Government about the development and reorganisation of agriculture, and the Government ought to give very kind consideration to the Amendment and not allow rural housing to be retarded. The authorities who have been operating the Act should have an assurance that the State will give financial assistance so that progress may continue. It is in that spirit that I support the Amendment, and I trust the Minister will agree to the renewal of the housing operations

[Mr. Price.]

of the Government and give the local authorities the chance of dealing with the problem.

4.26 p.m.

The MINISTER of HEALTH (Sir Hilton Young): I ask the Committee not to accept the Amendment for reasons which appear to me quite unanswerable. There is danger of a certain confusion of thought on the subject of housing in rural areas. The problem is not really one, but two. There is the problem of housing the agricultural labourer, and the problem of providing accommodation for other inhabitants. The two really have to be dealt with separately. I do not think that the arguments that have been used by hon. Members opposite assist us at all in the problem of housing the agricultural labourer with which we really want to grapple. The other inhabitants of rural areas can in general afford rents of about the same standard as people in the towns, and, as regards the provision of accommodation for them, all the considerations and arguments apply which we have already thrashed out as regards the general issue of subsidies or no subsidies. They will have a better prospect of more new houses under the Bill than they had before, because we are clearing from the path those forces of subsidised competition which prevent the free supply of new houses. There is no case at all for special treatment of inhabitants other than agricultural labourers.

I come now to the class which we really have in mind in the discussion—the agricultural labourer. I entirely agree with what was said by the hon. Member for Hemsworth (Mr. Price) as to the deserts of that particular class, and I am sure we all have their interests very particularly at heart. I say freely that if I thought that the Amendment was necessary in the interest of agricultural labourers I should take a very different view of it from that which I take now. The passage of the Amendment would be no good whatever to the agricultural labourers. Consider the conditions of the problem as regards the agricultural labourers? We are dealing with a problem which is absolutely different from the problem of the towns because on the whole the population of the rural areas is decreasing whereas the population of the urban areas is increasing. Unfortunately, I have not the full figures of the new census yet, but I have obtained the best sample I could from the new census of the state of affairs as regards change of population in the rural areas. I find that it has been calculated from the returns already available for the counties of Kent, Surrey, Essex Hertfordshire, that the agricultural population of those counties declined from 1921 to 1931 by at least the equivalent o a drop of 7 per cent. The decline of the agricultural population in the rural districts which are the districts most affecting agricultural labourers was a good deal more than 7 per cent. Therefore, we perceive at the outset that, clearly, the problem with regard to the agricultura labourer is a problem not of the number but of the right sort of houses for his accommodation.

The second fact to which I would direct the consideration of the Committee is that new houses at the sort of rents at which they could be let under the subsidy could be very little if any good at all to the agricultural labourer because the rents have been too high. It is no good providing huoses for the agricultura labourer at rents which he cannot afford In my part of the country agricultura cottages are still let at 1s. 6d. a week and 2s. 6d. is quite a common rent. Workers who can only afford to pay those rents cannot afford to pay the rents of the new houses. It is to meet those two facts that of a shrinking of population on the whole and the small rents which the agricultural labourer can afford, that we have framed the policy which will be enacted in the present Bill. That policy is to continue special assistance for the sake o agricultural labourers and to continue it in the form in which alone it is going to be any use to them, namely, the reconditioning of existing cottages which, even after reconditioning, can still be let to the agricultural labourer at a rent which he can afford to pay. The right hon. Gentleman the Member for Wakefield (Mr Greenwood) said that the Reconditioning Act of 1926 admitted that there was a special problem. Undoubtedly, it admits that that is a special problem, but it also shows a remedy for the special problem which is to take the existing cottages which are not up to modern standards as regards what is decent for life and to put them into a proper state under the very large subsidies provided by that Act.

Let me remind the Committee how very big those subsidies really are. The cost, you will remember, is divided into equal thirds between the local authority, the Exchequer and the owner, and the subsidy goes up to a maximum of £100 per cottage. With the assistance of that subsidy cottages can, after reconditioning, still be let at such low rents as 3s. per week, and are available for the agricultural labourer. The right hon. Gentleman referred to the small number of cottages built under that Act. What is the matter? We have a perfectly good Act only it has not been used. Probably one of the principal reasons why it has not been used is because other activities have distracted the authorities' attention. That has been the actual experience under the Act. I propose to do what can be done by central administration to assist the administration by taking a vigorous initiative in calling the attention of the responsible authorities to that Act.

There is another matter. It has been suggested to me by men who have practical knowledge that the reason why that Act—and, I believe, it is probably the solution of this problem—has not been sufficiently used is because it has been too exclusively left in the hands of the county council, though some county councils have done excellent work. Comparisons are odious, and I will not particularise the councils in question. But on the whole there has not been sufficient initiative and energy introduced into the Act by the county councils. I suggest that you would get more steam behind the Act by a mere transference of its powers to county districts, because it is among those who have more intimate knowledge of the special requirements of the smaller areas. the members of the authorities of the county districts, that you get a more pressing necessity to put the Act into force. I therefore propose by way of getting a more ready use of the Act, a freer transfer of the powers from the county council to the county district. That by no means completes the picture of the special help which will still be available to the authorities after the passage of the Bill.

There is another matter in which there is too little interest to which I should like to call attention and enlist the assistance of Members in calling the attention of their local authorities to the question. The Act of 1930 is also available to the rural authorities for dealing with the evil of the rural slum. There are slums in rural areas as there are in urban areas. Too seldom does it occur to local authorities that they can make use of the powers and subsidies under the Act of 1930 for clearing away their rural slums as well as their urban slums. I will give one instance within my personal knowledge of the sort of good work which can be done. A rural district council in my constituency recently put through a successful scheme for clearing away four cottages which were no longer fit for habitation under the powers contained in the Act of 1930. With the assistance of the full subsidy they provided for the substitution of four rural workers' cottages in place of the four condemned cottages.

Sir BASIL PETO: Can my right hon. Friend say whether the four cottages can be let at a rent of 2s. 6d. per week?

Sir H. YOUNG: My hon. Friend has put his finger on the point. The subsidies under the Act of 1930 are, as the Committee know, £2 10s. per person displaced from the Exchequer, and £3 15s. per house from the council. It will be found in practical experience that with the assistance of those subsidies the rent charged for the replaced cottages can in normal areas be kept down to 3s. or 4s. per week and thus brought within the reach of the agricultural labourer. It is, therefore, a practical power to be made use of for the betterment of housing conditions of which sufficient use has not yet been made.

Miss RATHBONE: Will the right hon. Gentleman kindly say whether that estimate includes rates or not?

Sir H. YOUNG: That is the situation. You are dealing with a different problem from the general problem because you have a shrinking population and one which cannot afford the rent. Ordinary subsidised building has done no good to the agricultural labourer. What you need in order to improve conditions and to give him the house he wants is a more active use of the Reconditioning Act and of the Slum Clearance Act to which I have referred. It will be the policy of His Majesty's Government, as I have said, to take the initiative in

[Sir H. Young.]

promoting the use of those Acts among the rural authorities.

4.42 p.m.

Mr. HARCOURT JOHNSTONE: I think that the Amendment which stands on the Paper is absolutely essential if rural housing is to continue upon anything resembling adequate lines. The Minister, in a cogently reasoned and temperate speech, has put the view of his Department, but I find myself very far from being convinced by any of the arguments that he put forward. The first argument was the shrinkage in the rural population. There is no doubt that shrinkage has taken place, but it is not universal, and it is accompanied, at the same time, by changes in rural population; an alteration and shifting in rural population which makes new housing essential in those areas in which the rural population is increasing—and there are such areas—instead of diminishing. Moreover, we have to bear in mind the fact that rural housing, neither now nor at any previous period of our history, has never been adequate. It has been insufficient, and, in many cases, of the lowest possible quality. I dare say the right hon. Gentleman knows of villages in which the standard of housing is so low that the reconditioning of such houses is practically impossible.

I very much regret that I have not the figures—I have been inquiring into specific figures and hope to have them before the Third Reading of the Bill—but surely the Minister will agree, that in many cases, and in many areas, the reconditioning of houses is also intolerably expensive and is not the most economic method of dealing with the problem. You have exceptions to the rule. My right hon. Friend the Member for North Cornwall (Sir F. Acland) is not here, but, if he were, I am sure that he would assure the Committee that in Devonshire the reconditioning of rural cottages has worked extremely well. But then, my right hon. Friend is there to put pressure upon the county council, and he does it with great effect. In other areas the Measure has not been effective, and, indeed, in some areas cannot be effective, owing to the difference of cost between one area and another. I hope to be able to show the right hon. Gentleman, before the Bill is finally through the House, that in certain parts of the North of England reconditioning of rural cottages is not an economic proposition. It was the first part of the right hon. Gentleman's argument, that the population in the rural areas was decreasing and that what was wanted was not new houses but the reconditioning of old ones. On various grounds I dissent from that view.

But I go much further. The Minister has stated that the building of new houses, with the subsidy, has not provided and cannot provide houses at rents which agricultural labourers can pay. That is not so. I have here a report of a scheme which is being carried out by a rural district council, in which houses are being built to be let at very low rents. The rents can be fixed at 2s. 7d. a week, plus rates 1s., making 3s. 7d. The houses show a profit of 5d. per week per house if they are let at 4s. a week. The rural district council will come out flat if the houses are let at 3s. 7d. Four shillings is the rent which an agricultural labourer can pay and is going to pay.

Mr. KIRKWOOD: Can the hon. Member tell us the size of those houses?

Mr. JOHNSTONE: Yes. The superficial area is 759 square feet, the accommodation is three bedrooms, a living room 15 feet by 12 feet 10 inches, a wash-house and a bathroom.

Mr. KIRKWOOD: Built under the 1930 Act?

Mr. JOHNSTONE: Under the 1924 Act.

Mr. KIRKWOOD: Under the Wheatley Act?

Mr. JOHNSTONE: Under the Chamberlain and Wheatley Acts, I presume. [HON. MEMBERS: "What is the cost per house?"] The cost of the house which enables rents to be fixed which agricultural labourers can, and in this case will, pay, is £281. The land in this particular case has been given, but even if it had not been given it would only have added a trifling cost to the price of the house. It would not have affected the rent more than 1d. per week. That is an actual case, of which the Minister must have knowledge, in which rural housing under the subsidy is being carried on, and houses are being built for agricultural labourers, which will be inhabited by agricultural labourers, at rents which hey can pay. With prices in their present ondition there is no reason why a policy n the same lines should not be carried ut in many more areas. I should be repared, if the Minister would make a oncession, to accept half the present ubsidy for rural houses. I think it would hen still be possible, with a £5 10s. subidy instead of the £11 subsidy, to build ouses which the agricultural labourer ould inhabit and of which he could pay he rent.

I am sure the Committee would be xtremely gratified if the Minister would ive us that concession, because it is not subsidy that would cost the country ast sums of money. The amount of rural ousing that is needed, although large, s not enormous, and the Minister by naking that concession would put the ecessary drive into rural housing, which annot possibly come from simply handng over to rural district councils the ecessary authority to use the Reconitioning Act. I should like to hear what he Minister's experience is in regard to hat Act. I know that in some areas it as worked fairly well, but I know posiively that in other areas it is not an conomic proposition, and cannot be nade one. I am equally certain that here are all over the country, we have ll seen them, houses that have fallen nto disrepair, or are falling into disepair, or ought to be abandoned, which o amount of architectural ingenuity can ver render habitable.

The second class of person with whom he Minister was concerned was a very mportant class—the person who is not n agricultural labourer but who lives n a rural area. There, again, I differ rom the Minister's proposition. He said hat under this Bill private enterprise vill be able to build houses at approxinately the same rents, or at the same ents, at which houses of that character re being built at the present time. That s not so. The rents which private enterrise will have to charge under the cheme of borrowing from the building ocieties, to put it at the lowest figure, vill be 12s. per week. That is a high ent, whereas at the present time I can raw the attention of the Minister and he Committee to houses that are being uilt for that particular class of people, ccording to their quality and size, to be et at 9s. 10d., 7s. 9d. and 6s. a week.

Mr. MICHAEL BEAUMONT: Can the hon. Member give us any data on which he bases the figure of 12s. as the rent chargeable by private enterprise?

Mr. JOHNSTONE: Yes. That is the rent which is being charged, with the subsidy, at the present time by local authorities, and there is no reason to suppose that private enterprise is so much more skilful than public enterprise, seeing that they will employ the same contractors in the building of the houses, that they will be able to build cheaper.

Mr. BEAUMONT: Is it not a fact that private enterprise has built houses and is letting them at rents much lower than that?

HON. MEMBERS: Where?

Mr. JOHNSTONE: That is not so. The houses that are going to be built by private enterprise for this class of people will be at rents averaging not less than 12s. I do not think that the Minister claims that the rent will be any lower than that.

Lord EUSTACE PERCY: Surely, if houses have been built in rural areas at £281, the rent of 12s. now mentioned by the hon. Member is entirely out of relation to his figures.

Mr. JOHNSTONE: I agree, if the figures related to the same class of house; but I would point out that the houses in question do not come up to the standard which will be required in regard to the expense of drainage, of road making, of site and the rest of it, that is required for urban houses.

Lord E. PERCY: In rural areas if the agricultural labourer can get a house built for £281, why should he pay 12s. rent for it.

Mr. JOHNSTONE: It is a different house altogether, but even in regard to the cheaper house of the agricultural labourer, if you take the subsidy away the rent to which I have referred, amounting to 4s. per week, inclusive of rates, would be approximately 8s. a week.

Lord E. PERCY: No.

Mr. JOHNSTONE: Indeed it would. I have been referring to houses which are being built to let, with the subsidy,

[Mr. Johnstone.]

at 9s. 10d., 7s. 9d. and 6s. Without the subsidy the rents would be 13s. 10d., 12s. and 10s.

Lord E. PERCY *indicated dissent.*

Mr. JOHNSTONE: Certainly. I cannot argue with the Noble Lord here. Perhaps I might take him out into the Lobby and in half an hour I might enlighten him as successfully as my right hon. Friend the Foreign Secretary enlightened my hon. Friend the Member for East Edinburgh (Mr. D. Mason). My point is, that for those who reside in rural areas but who are not engaged as agricultural labourers there are at present being built with the subsidy, houses to let at 9s. 10d. a week for the parlour type, with three bedrooms, 7s. 9d. for non-parlour type, three bedrooms, and 6s. for non-parlour type, two bedrooms, inclusive of rates. That is the type of rent which those people can pay. They are being provided in this particular instance by a public utility society in three different classes, to meet three different classes of wages, three different sizes of family, and three different sorts of requirements, and I can assure the right hon. Gentleman that under this Bill activities of that kind, which are exceedingly useful, will immediately come to an end, nor do I think that under the Bill they will be replaced by the activities of private enterprise enabling houses to be let at the same rents.

The right hon. Gentleman said that over a large part of the country houses to be let at approximately the same rents at present being charged for council houses can be built by private enterprise, at a profit. That applies to a great part of the country, but it certainly does not and can never apply to the rural areas, whether in regard to houses for the agricultural labourer or the individual who lives in a rural area and is engaged in what is known as rural industries. I am sure the Minister is anxious that housing should proceed under the Bill. He would do an immense amount to prevent harm being done if he would grant one-half the subsidy, if he cannot grant the whole. There is a strong case for reducing the £11 subsidy, which was granted at a time when costs were immensely higher. Costs have fallen and the necessity for so high a subsidy has also decreased, but some subsidy there must be, or the form of activity with which I have been dealing will cease.

The Minister made one final reference to the question of rural slum areas. There I am in complete agreement with him. I do not believe that anything like sufficient advantage has been taken of the opportunity of clearing rural slums. Anyone who knows the country, particularly small country towns, must know of little back streets in which there are slums as bad as any in our great cities. I trust that the Minister will take steps to encourage local authorities to schedule these slum areas and get on with the clearance of these slums. Before we dispose of the Amendment I hope we shall have a further explanation from the Government on the question of houses for the agricultural labourer. I cannot see how, in the face of the figures I have given for rural districts, the Minister can maintain the proposition that under the subsidy new houses cannot be built to let at rents which the agricultural labourer can pay. That is not so, it is being done; and the Bill, unamended, will prevent it being done and thus set back the whole case of the rehousing of our rural population, which is just as urgent a question as the housing of our urban population.

5.2 p.m.

Captain HEILGERS: The Minister of Health has stated that there are two problems, which are entirely separate, one, the problem of the agricultural worker and, secondly, the problem of the other residents. I cannot agree that they are not in some ways interlocked. Many people have been unable to obtain "C" class houses in the towns and have descended upon the countryside. They now occupy houses which should be occupied by agricultural workers. The 24,000 houses referred to by the right hon. Member for Wakefield (Mr. Greenwood) have taken off some of these people, but a great many are still occupying these houses, and unless we have some type of new house for rural districts we shall never really cure the housing problem in our rural areas. The Minister of Health also stated that there has been a decrease of 7 per cent. in the numbers living in rural districts.

Sir H. YOUNG: No. That was only a sample figure, taken from the last ensus in connection with certain disricts, to which I referred.

Captain HEILGERS: I am much bliged to the right hon. Gentleman, but the same time there has been a derease in the number of rural houses. any in my own district have become rotten and obsolete that they have een allowed to fall down. As regards he future of the Housing (Rural Workers) ct, I am glad to hear that the Government propose to hand over its adminisration to the district councils. It has een a success only in a few county ouncils like Devon, and East Suffolk, nd in Scotland, but in those districts here it has been a success I hope the overnment will consider the possibility f the county councils being allowed to ontinue the good work they have done the past.

6 p.m.

Mr. BANFIELD: I want to call the ttention of the Committee to what, in y opinion, is the vital and fundamental atter which underlies the question of ural housing. Since I have been in this louse I have heard from time to time xpressions of opinion from all sides that e have to get back to prosperity in agriulture, to get the people back upon the and, if we are to get rid of some portion f our great army of unemployed. I sugest that it will be impossible to get eople back to work on the land unless ou ensure to them decent housing conditions for themselves and their families. n the main it is true to say that the only emedy in many of our rural areas for the ousing problem is to pull down at least wo-thirds of the existing buildings and ebuild them again. Reconditioning is o solution of the problem. The majority f these places are too far gone already to ebuild, or to be reconditioned, and the urroundings of these places, the drainage, are such that many of us feel shamed of the conditions under which gricultural labourers are asked to exist.

Hon. Members opposite always put hemselves forward as representing the rue interests of agriculture. They are lways anxious to impress upon us that hey are the agricultural party, and I am old that at election times they very often alk to the wives of agricultural abourers about the bad conditions; and o on. This important Amendment is designed to do something practical for the agricultural labourer, but very few of those who are supposed to represent the best interests of agriculture are taking any interest in the Debate. I appeal to the Minister to allow the 1924 subsidy to continue. Far more might have been done had there been goodwill and determination among those who sit on county councils and rural district councils to do something to improve the housing conditions in their areas. I feel sometimes that the class who are elected on these bodies are very anxious indeed to do nothing to build more houses in their areas. The tied house system is a scandal in our rural districts, and many of those who flourish among the farmers and who are of the type which the tied house system suits, are elected to our local bodies and to county councils, and are the most reactionary among the whole agricultural population. Consequently you get a drag upon the wheel.

The Minister says that he cannot agree that the subsidy should go on. The hon. Member for Torquay (Mr. C. Williams) talked as he usually talked; and suggested that in some way the demand for housing in rural areas, and the subsidy, is something in the nature of Socialism. There are men of good will on all sides in this Committee who demand that there shall be a square deal for the agricultural labourer and for the rural areas; and to say that it is a demand for Socialism is preposterous to say the least. I am surprised that the Minister considers that there are two problems; the question of the agricultural labourer and the problem of the others. "The others," I suppose, are the carpenters and masons, and bricklayers, whom he says can afford to pay rents equal to those paid in the towns. I put it to anyone who has a knowledge of rural life and conditions that it is not true to say that these "others" can pay anywhere near the rents which are paid in the towns. The hon. Member for South Shields (Mr. Johnstone) has proved conclusively that given the will and a continuance of the subsidy, given a desire to get a drive in rural areas, something can be done, but there is a weight in these rural areas which, in spite of all the efforts of men of good will, is sufficient to keep back and retard any efforts towards improving housing conditions.

[Mr. Banfield.]

If it is true, and I think it is possible to get a real revival in agriculture, which is the one thing which holds out some hope for our people in the future, I am confident that the Government must face the question of housing. If county councils and rural district councils will not carry out their work then the responsibility lies on the Minister of Health to tell them to do their job or he will be obliged to do it for them. The Bill drops the subsidy and gives the whole matter into the hands of the building societies. I repeat that I am confident that building societies will not do this class of work in rural areas. The Minister says that they can use the Slum Clearance Act. Yes, but the difficulty is how are we to compel these people, knowing the facts as we do, to open their eyes and declare that there are any slums in any rural area. You will have considerable difficulty in persuading many of the farmers that there are, as a matter of fact, any slums in their particular area. The idea still remains in the minds of many of them that almost any kind of accommodation is good enough for the agricultural labourer, and accommodation is so terribly scarce that these men, who after all are the backbone of the country, are compelled to live in hovels which are a disgrace to our civilisation.

We have a perfect right to make an appeal to the Committee to help us in the problem of rural areas. I wish we could get rid of the tied-house system altogether, and get enough free cottages in the village and the hamlet to enable agricultural labourers to have a choice of accommodation. If we are to deal with this matter we must realise that we cannot get prosperity back to the countryside by paying low wages, or by providing houses with low rents to go hand in hand with low wages. Prosperity can only be brought back to the countryside by having well paid agricultural labourers living in decent houses, with a chance for their children. Unless you do that you may tinker with this problem year after year and pass Acts of Parliament, as you have done, without touching the problem, and you will still be up against it. There will be reactionaries who will put sprags into the wheel of every effort to improve housing conditions in the country. If the Minister is really enthusiastic and sincere, I ask him to take over this matter of rural housing and declare that he will see that something definite is done on behalf of the rural population. If these hidebound county councils and rural councils will not do their job, the Minister should take the matter in hand and do the job for them.

5.16 p.m.

Mr. M. BEAUMONT: I regret that I did not hear the Minister's speech or the whole of the speech of the hon. Member for South Shields (Mr. Johnstone), but I want to say that I am in fundamental disagreement with those who, in what they allege to be the interests of the agricultural labourer, of whom they probably know singularly little, desire to increase or continue the subsidies for rural housing. There is a fundamental difference between those, like hon. Members of the Socialist party who quite honestly and sincerely believe that the housing of the people is primarily a matter for the State, to be assisted by private enterprise, and those who, like myself and the majority in this House, believe that it is primarily a matter for private enterprise, to be assisted if necessary, and only if necessary, by the State. That is a sincere difference of opinion on which we are not likely to find any common ground of agreement. I suggest that the Government are right in saying that the time has come when State subsidies can serve no useful purpose in the matter of general housing.

The hon. Member for South Shields, in a most able and informative speech, gave an instance with the details of which he had been kind enough to furnish me, in which rural housing is being provided by a rural district council at rents which the agricultural labourer can and in fact will pay. But the fact remains, and the hon. Member who has just spoken showed an appreciation of the point in his somewhat fanciful condemnation of certain rural district councils, that though it may be that in this particular instance these houses are being provided, taking the country as a whole the houses for the rural population, at rents which they can afford to pay, are in fact not being built. Anyone who goes to the country districts, particularly those not very remote from London, knows that many houses are being built by rural district councils ostensibly for the rural opulation, and are in fact lived in by eek-enders and other people who have o connection with the locality, while the ural population prefer to continue to ve in the hovels so justly condemned by he hon. Member for Wednesbury (Mr. anfield) and by the hon. Member for outh Shields, and these rural workers re living in these hovels because of the ifference in rent. That has been going n all over the country for a considerable eriod.

If this Bill does nothing else it will top that most deplorable practice, ecause there is no reason whatever why n impoverished countryside should be alled upon to build, or the Government e called upon to subsidise, week-end ottages for urban dwellers in the rural reas. I differ also from the hon. Member for South Shields in his assertion hat private enterprise cannot now build ouses for the people of rural areas who re not in fact agricultural labourers—ouses at rents which they can afford to ay. The fall in building prices has educed the cost to such an extent that rivate enterprise can, and in fact has lready begun to, cope with the situation. failed entirely to follow the argument f the hon. Member for South Shields hat 8s. a week represented the value of he subsidy. I do not understand where e got his figures. If we take a comparable figure it is nearer 2s. You can nd new houses being built by private nterprise, some without the subsidy, at ents which the population in the rural reas, not agricultural labourers, can nd do pay.

I agree with the hon. Member for South Shields that the housing of the agricultural population is not an economic proposition in the true sense of the word, but I believe that private enterprise is now, in view particularly of the complete failure of the subsidy system in the past as far as other housing is concerned, in a better state to deal with it than is any local authority. While I have not the virulent objection to the subsidy in principle that some of my hon. Friends have, I do believe that the subsidy, as far as the housing problem still remains is concerned, has lamentably failed, and I am delighted that the Government have seen fit to discontinue it.

5.22 p.m.

Mr. McENTEE: I want to ask the Minister to reconsider some of the arguments that he has used to-day. His first argument really was that the rural population is decreasing and that therefore there is not the same demand for houses in rural areas as there would be if the rural population were not decreasing. The right hon. Gentleman divided the rural population into two classes, the class of agricultural labourers who, he says, cannot afford to pay an economic rent, and another class that he think can afford to pay a rent approximately the same as the rent now paid by workers in town areas. I put it to him that if the rural population is decreasing, as it undoubtedly is, one of the main reasons for the decrease is the lack of suitable housing accommodation for the people who live in the rural areas and desire to continue to work there. It has been said many times that young couples desiring to get married cannot find any kind of accommodation in rural areas, and consequently there is every inducement for a man to seek occupation in or near one of the big towns if he can get any kind of accommodation there at all.

The other class is the class of which the Minister speaks entirely wrongly, the class that he thinks can afford to pay rent about equal to that which is being paid in urban areas by similar types of workers. I think the Minister will realise that in all negotiations for wages between trade unionists and their employers, the rural population of mechanics and the type of workers who are generally catered for by trade unions, are compelled to accept a lower wage because the conditions of living in the country are not as expensive as in the towns. I have had some experience of that type as representing the working-class people, and I hardly remember an instance, when we were negotiating on wages in rural areas and in agricultural areas, and in fact in the areas surrounding the smaller towns, where we have not been met with the argument that rents are lower there and that therefore wages ought to be lower. But the Minister tells us that these people are able to pay and in fact do pay a rent equal to that which is paid in the towns. I think the right hon. Gentleman on further inquiry will find that his information is entirely wrong.

[Mr. McEntee.]

The right hon. Gentleman also told us that in the past, with the subsidy, we have never provided houses at rents which the agricultural labourer could pay. The hon. Member for Aylesbury (Mr. M. Beaumont) said that the houses that had been built had been used very largely by week-enders. I can hardly imagine that there is much truth in that statement, although I have seen it in the Press a good deal, for I presume that county councils and rural councils pay the same attention to the question of their tenancies as is paid by the urban councils, and I can hardly imagine their building houses for use by their own people in their own area and then letting those houses to week-end trippers. In fact I imagine that the Ministry, if it were aware of such practices, would very soon put a stop to them. It is impossible for such a thing to be done on anything like a large scale. But the Minister's main argument was that the houses were not of much value to the agricultural labourer because the rents were too much for him to pay. Now he is proceeding by this Bill to take away the subsidy which without doubt will make the rents considerably higher than they were before.

I was interested in the speech of the hon. Member for South Shields (Mr. Johnstone) which the hon. Member for Aylesbury attempted to controvert. It was said that it is not possible, even under present conditions in rural areas, to build houses at a rent that the agricultural worker can pay. The Minister will be aware of a housing scheme with which I had some association. We built houses of three bedrooms, 12 to the acre, with all the modern amenities that are allowed in houses built by urban authorities, and we let them at 5s. 3d. a week with a £7 10s. subsidy. If they can be built with that subsidy, after paying for the land, and let at that rent, I ask the Minister to consider at what rent the houses could be let if, instead of the £7 10s. subsidy, there was a £11 subsidy as suggested in the Amendment. With £11 subsidy those houses could be let at approximately 4s. 4d. per week, provided that they were built under the conditions that prevailed at the time when those houses were built, that is 18 months to two years ago.

Since then prices have fallen considerably and if allowance is made for the fall in prices, these houses could now be let at approximately 4s. a week. There are many thousands of agricultural labourers who would be delighted to get a house of the kind to which I have referred at 4s. a week. But if they are to be left to the tender mercies of the building societies and the jerrybuilders, then I am afraid that the agricultural labourers' opportunities of decent housing conditions in the future are practically nil. "But," says the Minister, "we are going to recondition some of the old houses and we may spend in some cases up to £100 upon reconditioning." For the purposes of the people who have to live in these houses after they are reconditioned, it would be infinitely better if the Minister spent £100 in building some kind of decent wooden house with modern amenities and decent sanitary conditions.

The hon. Member for Aylesbury suggested that we on these benches knew nothing of agricultural conditions. I have lived in agricultural cottages —not for any long period of time, thank heaven, because it is no pleasure to live in an agricultural cottage in any part of the country. But I am qualified to claim that I know something of the conditions by the fact that I have lived in these cottages and I very much doubt if the hon. Member for Aylesbury has had that experience. My point is that the Minister, by his policy, can only succeed in one thing and that is to make it impossible for building to go on at all in agricultural areas unless the subsidy is granted. A plea has been made to him to grant even a reduced subsidy. Personally I think that if houses are to be provided for the agricultural labourer to meet the needs of the situation it will be necessary to have the full subsidy, but, when we take into account the reduction in the cost of building and in the cost of money since the subsidy was fixed at £11, the agricultural labourer might be able to get houses to-day, built by local authorities with half the subsidy, at a rent approximating to that at which he could get a house at the time when the £11 was fixed.

I ask the Minister to consider the fact that agricultural houses have never been sufficient at any time during his lifetime or mine. Ever since I was a boy I have heard the story of the bad housing conditions in rural areas. I think the Minter himself in his Parliamentary career as made speeches about the housing of e agricultural labourer. We have often eard it said that the agricultural bourer lived under conditions which ere not decent and of which the country ught to be ashamed. We have heard eas, especially when the Labour Govrnment were in office, from hon. Memers who now sit opposite and who ppear to have forgotten those pleas, that e agricultural labourer should be given ecent housing conditions. Such opporunities as he had of securing decent contions under the existing law will be ken away from him by the Minister, nless the right hon. Gentleman is preared to make this concession. I hope erefore that those who sit behind the inister and who have talked so much bout the agricultural labourer will show eir earnestness by voting for the mendment.

35 p.m.

Sir JONAH WALKER SMITH: I do ot suppose that the Minister in his conideration of this Amendment will be reatly influenced by the views expressed y the hon. Member for Torquay (Mr. . Williams). It seems to me that the rgument which the hon. Member subitted was fallacious and it is an arguent to which the hon. Member for Aylesury (Mr. M. Beaumont) lent a certain mount of support. The suggestion ppeared to be that there is something nmutable in the policy of the Minister; at, as and from a certain date, say h December, 1932, onwards, in no circumstances whatever and for no purpose, all there be any Government subsidy. hat of course is not the policy of the inister. The right hon. Gentleman has n the Order Paper an Amendment which ould provide for the extension of the ubsidy to those schemes which had een under consideration for some conderable time and had reached a stage f maturity before 7th December, 1932. hus, in due course if that Amendment accepted as I have no doubt it will e, the subsidy will apply to those houses. urther, the subsidy is to apply for a urther period to all houses built in Scotnd for the reason—very properly—that here is a considerable lag in the proision of working class houses in Scotnd and it is right that that lag should e overtaken by means of the extension of subsidy. There is recognised to be a considerable lag also in the provision of houses in connection with slum clearance——

The CHAIRMAN: May I call the hon. Member's attention to the Amendment which is before the Committee? He has made no reference to it at all up to the present.

Sir J. WALKER SMITH: The point of my argument is that there is a great dearth of houses in agricultural parishes, and, just as it is right and proper that subsidy should be available for houses in connection with slum clearance, just as it is right and proper that subsidy should be available for houses under those schemes which had reached maturity by 7th December, 1932, so it is right and proper that subsidy should be available, as the Amendment provides for houses in agricultural parishes which are so urgently required. I have no particular love for subsidies to industries of any kind, and especially to the building industry, and the building industry as such never asked for any subsidy from the Government. The subsidy has been asked for the provision of houses by local authorities and others, but never by the building industry. The building employers urged the Minister two years ago, and have consistently held the view, that it is desirable that subsidies for all housing purposes should be withdrawn. There may have been some who thought that a subsidy would be a good thing for the industry but for the building industry the subsidy has been Dead Sea fruit, turning to ashes on their lips. No one dislikes subsidies more than I do.

Nevertheless I do not think there is anyone who is interested in agricultural development and in the housing of the agricultural workers who can fail to give a certain amount of sympathy, if not of support, to this Amendment. It ought to be supported upon at least three grounds. First, there is the exceptional dearth of houses in agricultural parishes. Secondly, even with the amount of subsidy hitherto available—£11 from the Government and £3 15s. from the local authority—it has been impossible for rural district councils to provide houses in agricultural parishes. Third, while under the Act of 1931 additional facilities were provided to meet the needs of agricultural parishes that Act, if it has not been maladministered has

[Sir J. Walker Smith.]

been administered without the sympathy and understanding which I think is requisite. For those reasons the Amendment ought to find acceptance in the Committee.

Under the Act of 1931 a committee was set up to assist and advise the Minister in the provision of houses in agricultural districts. It was decided, or at any rate it was so understood, to place at the disposal of that committee £2,000,000. That committee has never functioned in the manner intended and I gravely fear that it has been regarded very much as a smoke screen for Departmental inactivity. Since the War and prior to 1931 the number of houses erected in rural districts by local authorities has been about 41,000, out of the total of 700,000 erected by local authorities. About 5 per cent. of the total have been erected in rural districts. Of that percentage the number erected in the agricultural parishes of rural districts has been about 15,000 or rather about 2 per cent. of the total number of houses erected by local authorities all over the country. Of those houses erected in the agricultural parishes only one-third—that is one-third of 15,000 or about two-thirds of 1 per cent. of the total number of houses erected by local authorities in the whole country—are those available for agricultural workers.

It is to remedy that state of affairs that the Amendment is designed. It was recognised during the passage of the Act of 1931 that the dearth of houses in rural districts for agricultural workers was serious and clamant. That dearth had not been met by the ordinary financial facilities previously available considerable though those were, and it seemed to be recognised that, whatever might have been the shortcomings in the past either of Government Departments or local authorities, under the 1931 Act the stigma of apathy was to be removed and facilities made available for housing agricultural workers in the agricultural districts. Under that Measure considerable facilities were provided. A sum of £2,000,000 was placed at the disposal of the Minister and additional powers were conceded to the county councils upon whom the Minister now appears to rely very considerably for assistance. They were given the power to supersede recalcitrant and lethargic rural district councils in cases where it was necessary to do so and further powers were given them by which they could make an additional monetary contribution themselves. Further, there was a committee set up which was supposed to consist of able and practical men who were to have the opportunity of assisting the Minister, but they have never had the opportunity of assisting the Minister in the spirit that was intended when the Act of 1931 passed through this House. I wish for a moment to compare that which was anticipated to be done for the purpose of providing agricultural cottages when the Act of 1931 was passed with what actually has been accomplished.

The CHAIRMAN: I must ask the hon. Member to keep a little more strictly to the Amendment before the Committee. This has nothing to do with the Act of 1931, and we cannot have a disquisition on that Act.

Sir J. WALKER SMITH: I submit to your Ruling, Sir. My argument was directed to showing that that very great need which was established beyond any doubt in 1931, still exists, and I wish to tell the Committee, with your approval, that extremely little, a ridiculously small amount, has been done under that Act, that therefore almost 99 per cent. of that which was recognised as being required in 1931 still requires to be done, and that this Amendment should be passed in order to allow of a little further instalment. It was considered in 1931 that at least 40,000 houses for agricultural parishes should be erected, not in the course of a great number of years, but immediately, as they were required at that very moment. One year was given within which that particular scheme had to be carried out. A matter of 40,000 houses had to be provided by the Ministerial machinery in 1931, and £2,000,000 was placed at the Minister's disposal to effect that purpose. I know there was a fundamental defect in the Act of 1931, in that——

The CHAIRMAN: The hon. Member may be quite in order in referring to that Act, but he really is not entitled to go at great length into discussion about that Act, which does not come under this Amendment at all.

Sir J. WALKER SMITH: I submit to your Ruling, Sir. What I wished to show ras how extremely little had already een done and what a very large balance emained to be done towards that which ras recognised as essential in 1931. hereby, I wished to show how very ecessary it was that this Amendment hould be passed, in order that there ight be a little more done towards proiding the enormous lag which was shown o clearly in 1931. The net result under hat Act is that there has been provided t the present time the merest dribble f houses. I understand that up to the resent the Minister has approved about 00 houses. That is the way in which his great scheme is flickering out. Forty housand houses were recognised and greed upon all sides to be urgently reuired, and as they were required then, o they are required now, but that numer has gradually dwindled and dwindled, ntil the 7,000 houses for which the rural ouncils applied were reduced to 4,000, nd then, by a stroke of the Ministerial en, they were reduced again to 2,000.

I doubt very much if there has been a single house completed up to the present, though approval has been given for 400 houses; that is to say, 400 houses in 20 months, when it was intended that 40,000 houses should be built in 12 months. My point is that the need remains clamant, that it is such a vital need that ordinary financial assistance was found to be quite impossible, and that therefore special financial facilities were provided. The proposal under the Bill as presented to the Committee today is not only that special facilities should be withdrawn, but that ordinary facilities also should be withdrawn, that no facilities whatever should be available for houses in agricultural parishes, and that the needs of agricultural workers should be left to Providence.

Question put, "That those words be there inserted."

The Committee divided: Ayes, 51; Noes, 305.

Division No. 54.] AYES. [5.50 p.m.

cland, Rt. Hon. Sir Francis Dyke
ttlee, Clement Richard
anfield, John William
atey, Joseph
rown C. W. E. (Notts., Mansfield)
uchanan, George
hapman, Col. R. (Houghton-le-Spring)
ocks, Frederick Seymour
ove, William G.
ripps, Sir Stafford
urry, A. C.
aggar, George
avies, Rhys John (Westhoughton)
dwards, Charles
reenwood, Rt. Hon. Arthur
riffith, F. Kingsley (Middlesbro', W.)
all, F. (York, W.R., Normanton)
arris, Sir Percy
Hunter, Dr. Joseph (Dumfries)
Janner, Barnett
Johnstone, Harcourt (S. Shields)
Jones, Henry Haydn (Merioneth)
Jones, Morgan (Caerphilly)
Kirkwood, David
Lansbury, Rt. Hon. George
Lawson, John James
Llewellyn-Jones, Frederick
Logan, David Gilbert
Lunn, William
McEntee, Valentine L.
McGovern, John
Maclay, Hon. Joseph Paton
Maxton, James
Milner, Major James
Owen, Major Goronwy
Parkinson, John Allen
Pickering, Ernest H.
Price, Gabriel
Rathbone, Eleanor
Rea, Walter Russell
Salter, Dr. Alfred
Samuel, Rt. Hon. Sir H. (Darwen)
Smith, Sir Jonah W. (Barrow-in-F.)
Tinker, John Joseph
Wallhead, Richard C.
Wedgwood, Rt. Hon. Josiah
White, Henry Graham
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)
Wood, Sir Murdoch McKenzie (Banff)
Young, Ernest J. (Middlesbrough, E.)

TELLERS FOR THE AYES.—
Mr. D. Graham and Mr. G. Macdonald.

NOES.

cland-Troyte, Lieut.-Colonel
gnew, Lieut.-Com. P. G.
insworth, Lieut.-Colonel Charles
itchison, Rt. Hon. Craigie M.
lbery, Irving James
llen, Sir J. Sandeman (Liverp'l, W.)
llen, William (Stoke-on-Trent)
nstruther-Gray, W. J.
pplin, Lieut.-Col. Reginald V. K.
tkinson, Cyril
aillie, Sir Adrian W. M.
aldwin, Rt. Hon. Stanley
alfour, Capt. Harold (I. of Thanet)
alniel, Lord
arclay-Harvey, C. M.
arrie, Sir Charles Coupar
eaumont, M. W. (Bucks., Aylesbury)
eaumont. Hon. R. E. B. (Portsm'th, C.)
eit, Sir Alfred L.
enn, Sir Arthur Shirley
ennett, Capt. Sir Ernest Nathaniel
irchall, Major Sir John Dearman
ird, Ernest Roy (Yorks., Skipton)
lindell, James
oothby, Robert John Graham
Borodale, Viscount
Boulton, W. W.
Bower, Lieut.-Com. Robert Tatton
Bowyer, Capt. Sir George E. W.
Bracken, Brendan
Braithwaite, J. G. (Hillsborough)
Brass, Captain Sir William
Briscoe, Capt. Richard George
Broadbent, Colonel John
Brocklebank, C. E. R.
Browne, Captain A. C.
Buchan, John
Buchan-Hepburn, P. G. T.
Burnett, John George
Campbell, Edward Taswell (Bromley)
Campbell, Vice-Admiral G. (Burnley)
Caporn, Arthur Cecil
Cautley, Sir Henry S.
Cayzer, Sir Charles (Chester, City)
Cayzer, Maj. Sir H. R. (Prtsmth., S.)
Cazalet, Thelma (Islington, E.)
Cazalet, Capt. V. A. (Chippenham)
Chamberlain, Rt. Hn. Sir J. A. (Birm., W)
Chapman, Sir Samuel (Edinburgh, S.)
Chorlton, Alan Ernest Leofric
Christie, James Archibald
Churchill, Rt. Hon. Winston Spencer
Clarke, Frank
Cochrane, Commander Hon. A. D.
Colfox, Major William Philip
Collins, Rt. Hon. Sir Godfrey
Colville, Lieut.-Colonel J.
Conant, R. J. E.
Cook, Thomas A.
Cooke, Douglas
Courtauld, Major John Sewell
Cranborne, Viscount
Crookshank, Col. C. de Windt (Bootle)
Cross, R. H.
Crossley, A. C.
Culverwell, Cyril Tom
Dalkeith, Earl of
Davidson, Rt. Hon. J. C. C.
Davies, Maj. Geo. F. (Somerset, Yeovil)
Davison, Sir William Henry
Dawson, Sir Philip
Denman, Hon. R. D.
Denville, Alfred
Dickie, John P.
Dower, Captain A. V. G.

Drewe, Cedric
Duckworth, George A. V.
Dugdale, Captain Thomas Lionel
Duggan, Hubert John
Duncan, James A. L. (Kensington, N.)
Dunglass, Lord
Elliot, Major Rt. Hon. Walter E.
Elliston, Captain George Sampson
Elmley, Viscount
Emmott, Charles E. G. C.
Emrys-Evans, P. V.
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Everard, W. Lindsay
Falle, Sir Bertram G.
Fielden, Edward Brocklehurst
Ford, Sir Patrick J.
Forestier-Walker, Sir Leolin
Fox, Sir Gifford
Fraser, Captain Ian
Fuller, Captain A. G.
Galbraith, James Francis Wallace
Ganzoni, Sir John
Gillett, Sir George Masterman
Glossop, C. W. H.
Gluckstein, Louis Halle
Glyn, Major Ralph G. C.
Goff, Sir Park
Goldie, Noel B.
Goodman, Colonel Albert W.
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Grattan-Doyle, Sir Nicholas
Gretton, Colonel Rt. Hon. John
Grimston, R. V.
Guinness, Thomas L. E. B.
Gunston, Captain D. W.
Guy, J. C. Morrison
Hacking, Rt. Hon. Douglas H.
Hales, Harold K.
Hamilton, Sir George (Ilford)
Hanbury, Cecil
Hanley, Dennis A.
Hannon, Patrick Joseph Henry
Hartington, Marquess of
Hartland, George A.
Harvey, George (Lambeth, Kenningt'n)
Harvey, Major S. E. (Devon, Totnes)
Headlam, Lieut.-Col. Cuthbert M.
Heilgers, Captain F. F. A.
Hepworth, Joseph
Herbert, Capt. S. (Abbey Division)
Hills, Major Rt. Hon. John Waller
Hore-Belisha, Leslie
Hornby, Frank
Horobin, Ian M.
Horsbrugh, Florence
Howard, Tom Forrest
Hudson, Capt. A. U. M. (Hackney, N.)
Hunter, Capt. M. J. (Brigg)
Hurd, Sir Percy
Hurst, Sir Gerald B.
Hutchison, W. D. (Essex, Romford)
Iveagh, Countess of
Jackson, Sir Henry (Wandsworth, C.)
Jackson, J. C. (Heywood & Radcliffe)
James, Wing.-Com. A. W. H.
Johnston, J. W. (Clackmannan)
Ker, J. Campbell
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Kimball, Lawrence
Knox, Sir Alfred
Lamb, Sir Joseph Quinton
Lambert, Rt. Hon. George
Law, Sir Alfred
Law, Richard K. (Hull, S.W.)
Leckie, J. A.
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Lewis, Oswald
Liddall, Walter S.
Lindsay, Noel Ker
Lister, Rt. Hon. Sir Philip Cunliffe-
Llewellin, Major John J.
Lloyd, Geoffrey
Lockwood, John C. (Hackney, C.)
Loder, Captain J. de Vere
Lovat-Fraser, James Alexander
Lumley, Captain Lawrence R.
Mabane, William
MacAndrew, Lt.-Col. C. G. (Partick)
MacAndrew, Capt. J. O. (Ayr)
MacDonald, Malcolm (Bassetlaw)
McEwen, Captain J. H. F.
McKie, John Hamilton
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Magnay, Thomas
Maitland, Adam
Mander, Geoffrey le M.
Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. R.
Martin, Thomas B.
Mayhew, Lieut.-Colonel John
Meller, Richard James
Mills, Major J. D. (New Forest)
Milne, Charles
Mitchell, Harold P. (Br'tf'd & Chisw'k)
Mitchell, Sir W. Lane (Streatham)
Mitcheson, G. G.
Molson, A. Hugh Elsdale
Moore-Brabazon, Lieut.-Col. J. T. C.
Morris, Owen Temple (Cardiff, E.)
Morris-Jones, Dr. J. H. (Denbigh)
Morrison, William Shepherd
Moss, Captain H. J.
Muirhead, Major A. J.
Nall, Sir Joseph
Nall-Cain, Hon. Ronald
Nation, Brigadier-General J. J. H.
Newton, Sir Douglas George C.
Nicholson, Godfrey (Morpeth)
Nicholson, Rt. Hn. W. G. (Peters'fld)
North, Captain Edward T.
Nunn, William
Palmer, Francis Noel
Peake, Captain Osbert
Pearson, William G.
Peat, Charles U.
Percy, Lord Eustace
Petherick, M.
Peto, Sir Basil E. (Devon, Barnstaple)
Peto, Geoffrey K. (W'verh'pt'n. Bilston)
Pickford, Hon. Mary Ada
Potter, John
Powell, Lieut.-Col. Evelyn G. H.
Power, Sir John Cecil
Pownall, Sir Assheton
Procter, Major Henry Adam
Purbrick, R.
Pybus, Percy John
Raikes, Henry V. A. M.
Ramsay, Capt. A. H. M. (Midlothian)
Ramsay, T. B. W. (Western Isles)
Ramsbotham, Herwald
Ramsden, Sir Eugene
Rankin, Robert
Ratcliffe, Arthur
Rawson, Sir Cooper
Reed, Arthur C. (Exeter)
Reid, Capt. A. Cunningham-
Reid, James S. C. (Stirling)
Reid, William Allan (Derby)
Rentoul, Sir Gervais S.
Renwick, Major Gustav A.
Rhys, Hon. Charles Arthur U.
Roberts, Sir Samuel (Ecclesall)
Robinson, John Roland
Ropner, Colonel L.
Ross, Ronald D.
Ross Taylor, Walter (Woodbridge)
Ruggles-Brise, Colonel E. A.
Runciman, Rt. Hon. Walter
Runge, Norah Cecil
Russell, Albert (Kirkcaldy)
Russell, Alexander West (Tynemouth)
Rutherford, Sir John Hugo (Liverp'l)
Salmon, Sir Isidore
Salt, Edward W.
Samuel, Sir Arthur Michael (F'nham)
Sandeman, Sir A. N. Stewart
Sanderson, Sir Frank Barnard
Savery, Samuel Servington
Scone, Lord
Selley, Harry R.
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Shaw, Captain William T. (Forfar)
Shepperson, Sir Ernest W.
Simon, Rt. Hon. Sir John
Skelton, Archibald Noel
Slater, John
Smiles, Lieut.-Col. Sir Walter D.
Smith, Bracewell (Dulwich)
Smith, Louis W. (Sheffield, Hallam)
Smith, R. W. (Ab'rd'n & Kinc'dine, C.)
Smith-Carington, Neville W.
Somerville, Annesley A. (Windsor)
Soper, Richard
Southby, Commander Archibald R. J.
Spears, Brigadier-General Edward L.
Stanley, Lord (Lancaster, Fylde)
Stanley, Hon. O. F. G. (Westmorland)
Storey, Samuel
Stourton, Hon. John J.
Strauss, Edward A.
Strickland, Captain W. F.
Stuart, Lord C. Crichton-
Sueter, Rear-Admiral Murray F.
Sutcliffe, Harold
Templeton, William P.
Thomas, James P. L. (Hereford)
Thomson, Sir Frederick Charles
Titchfield, Major the Marquess of
Todd, Capt. A. J. K. (B'wick-on-T.)
Train, John
Turton, Robert Hugh
Vaughan-Morgan, Sir Kenyon
Wallace, John (Dunfermline)
Ward, Lt.-Col. Sir A. L. (Hull)
Ward, Irene Mary Bewick (Wallsend)
Ward, Sarah Adelaide (Cannock)
Wardlaw-Milne, Sir John S.
Waterhouse, Captain Charles
Watt, Captain George Steven H.
Wayland, Sir William A.
Wedderburn, Henry James Scrymgeour-
Wells, Sydney Richard
Weymouth, Viscount
Whiteside, Borras Noel H.
Williams, Charles (Devon, Torquay)
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Windsor-Clive, Lieut.-Colonel George
Winterton, Rt. Hon. Earl
Withers, Sir John James
Wolmer, Rt. Hon. Viscount
Wood, Rt. Hon. Sir H. Kingsley
Worthington, Dr. John V.
Young, Rt. Hon. Sir Hilton (S'v'noaks)

TELLERS FOR THE NOES.—Sir Victor Warrender and Mr. Womersley.

The following Amendment stood upon the Order Paper:

In page 1, line 13, to leave out the words "seventh day of December, nineteen hundred and thirty-two," and to insert instead thereof the words:

"first day of July, nineteen hundred and thirty-three."—[*Mr. McEntee.*]

6.0 p.m.

Mr. M. BEAUMONT: On a point of Order. May I submit that this Amendment, inasmuch as it will cause subsidies to be paid which are not intended under the Bill, will create an increased charge?

The DEPUTY-CHAIRMAN (Captain Bourne): I think that the hon. and gallant Member overlooks the fact that under the existing law the Minister is empowered to grant these subsidies, and that this Amendment would really prolong the period of an existing charge, and would not therefore make a new charge.

6.2 p.m.

Mr. McENTEE: I beg to move, in page 1, line 13, to leave out the words "seventh day of December, nineteen hundred and thirty-two," and to insert instead thereof the words:

"first day of July, nineteen hundred and thirty-three."

The object of this Amendment is to extend the time during which the subsidy will be granted to local authorities which have housing schemes in course of preparation. I think that the Minister was rather harsh in his method of cutting off the subsidy. When local authorities have schemes in preparation they think, and they have a right to think, that they will receive some consideration, and, if they have submitted schemes in some preliminary form, they are entitled to expect, if it is proposed to abolish the subsidy, some consideration for those schemes which they have in hand and on which they have expended a considerable amount of money. The Minister brings in a Bill and says without warning: "I am going to cut off the subsidy right away." That is not the type of thing that local authorities have the right to expect.

Sir H. YOUNG: It may have escaped the hon. Member's attention that I have an Amendment down which deals with this point, namely, in page 1, line 14, at the end, to add the words:

"Provided that if the Minister is satisfied that proposals for providing or promoting the provision of houses under those Acts had been prepared and were substantially ready to be submitted to him before the said seventh day of December, he may, subject to the approval of the Treasury, treat the proposals for the purposes of this Section as if they had been submitted to him before that date."

Mr. McENTEE: It has not escaped my attention. I have read it very carefully and have noticed the word "may." I have always been suspicious of that word in Acts of Parliament. If we say that a local authority "shall" do a thing, we know that it will be done, but, if we say that the local authority "may" do a thing, there is considerable doubt whether it will be done. My experience in these matters is that if a scheme would cost a local authority anything and if it happens to be a reactionary local authority, the word "may" is a means of enabling it to get out of a responsibility that Parliament very often desires it to carry out. I want the Minister to say that where housing schemes have been prepared within a reasonable time, the subsidy shall be paid, and I hope that, having made some concession to us in this matter, the right hon. Gentleman will go a little further and say that the subsidy "shall" be paid. A good deal depends on the officer in the Ministry of Health before whom a scheme comes. I have had experience in dealing with officials in that Department, and I find that all of them are very nice people, but, at the same time, one gets a consideration from some of them that one does not get from others. The question whether a subsidy shall be granted should not depend upon the whim or the will of a particular individual in the Department before whom a scheme happens to come. If the Minister will accept the Amendment and agree that a local authority shall have an extension of six months during which it can get the subsidy for schemes that were in preparation at the time of the introduction of the Bill, he will do something that is fair and that all local authorities and the Committee will appreciate.

6.7 p.m.

Mr. LOGAN: In supporting the Amendment, I wish to call the attention of the Minister to the unfortunate position in which many local authorities will be placed, and I will take Liverpool as a typical example. When the Minister announced his decision that the subsidy would cease on the 7th December, it had no regard to the liabilities which Liverpool and other local authorities were incurring in the housing schemes which were about to be carried out. For months preparatory work has been going

[Mr. Logan.]

on in order to carry out a letter which we received from the Minister in the early part of January last year. That letter pointed out the necessity of housing at a cheap rental being provided in the city. We were able to make some arrangements, but we were not able to go forward with the plans until January of this year. Apart altogether from the political aspect of the question, Liverpool is anxious, as every other great centre is, for facilities to carry out the requirements of the Ministry and the obligations laid on the local authorities to make provision for houses. The Minister's Amendment would not meet our requirements, because it contains a reference to the approval of the Treasury and the word "may," with which I do not agree. I wish to see something more definite inserted in the Bill. Liverpool has already sent to the Minister plans of a scheme involving almost 5,000 houses. The drastic move to stop all subsidies places it and municipalities in every part of the country in an undignified position. All their work goes for nought.

It is remarkable that, while the Ministry of Health laid down this mandate without warning, the Scottish Office sent out a fortnight's warning notice. I know that Scottish Members as a rule want to get the best of everything, but England expects at least the same fair treatment with regard to housing. We hope that the Minister will meet us in regard to the obligations that we have undertaken so that we can have the opportunity of providing the cheap houses which he has asked us to provide. The abolition of the subsidy will make a difference of 4s. a week in the rent. We have bought the land, we have prepared the plans, and we have a demand for the houses, but we shall not be able to meet it without the subsidy because the rents, which would have been 7s. and 6s. 8d. with the subsidy, will be 11s. and 10s. 8d. without. I am not sure what was in the mind of the Minister when he put his Amendment down; I am not sure of my own mind at times; and I would like to see it in black and white in the Bill if it is in his mind to grant the subsidy to local authorities which have got out plans. It is most essential that municipalities should have no further liabilities in regard to the schemes that are already in hand. They are badly hit, particularly in the depressed areas.

I ask the Minister to put aside the question of national economy and to consider the responsibility that rests upon this Committee to see that justice is done to those local authorities which have got out plans for schemes. It is unfair to produce a Bill and say without warning that the Government have nothing to do with the obligations which local authorities have incurred through housing schemes and that it is not their responsibility. The Government have a great responsibility in housing which calls for the particular attention of every hon. Member. I am not seeking this concession in order to gain any party capital. Every Member for Liverpool who does not represent the party to which I belong will be bound to support such an Amendment as this. I am not speaking from the party point of view at all, although the Amendment meets my views as to the responsibility that falls on this House. Therefore, I have great pleasure in supporting this Amendment, and I hope that the Minister will accept it in order to do the right thing by the municipalities of the country.

6.15 p.m.

Sir FRANCIS ACLAND: I wish to say a word or two on this Amendment, although I recognise that the Amendment which is on the Paper in the name of the Minister will, if reasonably administered—and I have no reason to think it will not be—go a considerably way in the direction which the Amendment before us suggests, and may in some ways prove to be a better one, because I can see the inconvenience and difficulty of adopting this present Amendment. The county of Devon, with which I am connected, has been quoted as one in which good work has been done and is being done under the reconditioning Act, and that is true. We hope to get the county council to grant a further sum for additional work to be carried out, because we find that the more we do the more there is to be done. But I do not want it to be understood that because we are working that Act fairly well there is not a very considerable need of new houses which is not touched at all by reconditioning, and still less do I want it to be understood that the demand for new houses can in any way whatever be touched by private building.

In rural districts the operations of uilding societies are really unknown. Vhatever they do in towns, building ocieties are not active in the rural arishes. The people there have never eard of them, and that is a fact. Thereore when we talk of private enterprise n connection with rural houses we mean he private enterprise of the ordinary uilder building rural cottages, which ave to be built in twos or fours. From nquiries I have made I find that taking nto account the cost of land, roads and vater supply, these cannot be built nder £350 a house. To make a reasonble profit the builder will not let such house under 8 per cent. on his outlay; nd after making provision for the cost f repairs, the collection of the rent and he possibility that the house may be mpty, and taking rates into account lso, he will want a rent of 10s. 10d. a veek, which is an absolutely laughable um from the point of view of the people n the villages. As far as I can see, his Bill will stop dead the building of ew houses in rural districts.

The DEPUTY-CHAIRMAN: I rather hink the right hon. Gentleman is ddressing himself to an Amendment vhich has already been dealt with. We re now concerned simply with the quesion of the date.

Sir F. ACLAND: I bow to your Ruling, nd will only say that I am very glad hat the Minister has had second houghts on his original proposal, and is t any rate willing to consider the quesion of allowing schemes which were subtantially ready at a certain date to go orward. I join also with what has been aid from the benches opposite in hoping hat the word "may" will be really enerously interpreted, and that we shall ot find that a lot of these schemes are nocked on the head when they come orward.

.20 p.m.

Sir J. SANDEMAN ALLEN: I do not nyself expect the Minister to accept this mendment, because I feel that the real rouble does not arise over the date but ver the stage which the preparations ave reached at the date. There has to e some date, and the same trouble will xist whatever the date may be. I have een very much impressed with the care hich the Minister has given to this matter. Those of us who were present when he spoke on 7th February will agree that he recognised that the terms of the Bill were too cast-iron on the point of the preparations, and he undertook, in consultation with the Committee, to make them a little broader. That is the real issue, and I am only anxious that it should be appreciated when the Minister comes to speak. It is all very well to talk about making a rule for the whole country, but it must be remembered that different parts of the country have different methods. The case of Liverpool has been quoted by the hon. Member for the Scotland Division (Mr. Logan), and though he had something to say about the Scotland Division of which I do not approve, I agree otherwise with what he said. In Liverpool it has not been usual to apply for assistance until an accepted tender has been submitted for approval and there has been a statutory undertaking by the council, but I believe that in Manchester, Birmingham and in other places they follow a different procedure. The real issue is to meet the difficulties arising in practice in the different parts of the country. I do not challenge the policy of the Bill, and we are grateful to the Minister for having made good his promise by the Amendment which he has put down.

Mr. LOGAN: Does the hon. Member say that the Amendment of the Minister will suit Liverpool? I say distinctly that it will not.

Sir J. SANDEMAN ALLEN: The hon. Member interrupted me before I had finished. I would point out that that Amendment has not yet been discussed. I say that I think the Minister realises the difficulty, and he has already promised an Amendment in consultation with the Committee. What he has to consider is the different methods prevailing in different towns rather than any particular date. I do not object to the date.

6.23 p.m.

Sir H. YOUNG: The right hon. Gentleman for North Cornwall (Sir F. Acland) succeeded, in the parlance of the Navy, in "neatly bracketing the target." He spoke about the last Amendment and then about the next Amendment, and I was hoping that his next shot would be on the target itself, but that did not come

[Sir H. Young.]

about. The speech by which this Amendment was supported by the hon. Member for West Walthamstow (Mr. McEntee) and his Seconder showed a complete misconception as to what the result of the Amendment would be. They told us they were under the impression that if it were carried it would exercise some compulsion upon the Minister to accept schemes. Of course, it would have no such effect at all. All that would occur would be that the Minister could make no contribution as subsidy for houses provided after a later date than the one provided in the Bill. It would leave his discretion totally unfettered. There is no intention on the part of the Government to alter the general state of the law regarding the conditions and terms under which these proposals are considered and either accepted or rejected. The only question is where we shall draw the line, and there, again, it appears to me that the Amendment defeats the purpose of its supporters. I have agreed that the date fixed in the Bill cuts the thread too sharply. What we need is reasonable elasticity. This Amendment would not provide that reasonable elasticity, but simply replace one sharp and arbitrary cut by another. It would not enable me as Minister to deal with the matter as I should desire and as I believe the Committee would desire.

Mr. LANSBURY: If our Amendment has no effect, how is yours effective?

Sir H. YOUNG: The effect of all three Amendments will be precisely the same as regards any compulsion on the Minister to accept proposals; he will retain the same discretion as the general law gives him. The only question is as to what elasticity there shall be. I suggest that the reasonable way to arrange this is not to insist on an arbitrary date, as the Bill does, and as the Amendment does, but to have regard to the state of development of the plans. I should call that taking account of the practical aspect of the matter. We do not want to encourage a lot of artificially stimulated plans. We want to make sure that if *bona fide* plans—and I use that word in a wide sense, without any derogatory meaning—are submitted which are in a reasonably advanced state they shall have consideration. That is the practical and elastic method adopted by the Amendment to which I may not refer; but I suggest that the present Amendment will leave us only at as much disadvantage as does the Bill itself.

6.27 p.m.

Mr. HICKS: The reason the Labour party put down an Amendment to extend the period to July, 1933, was that we hoped it would give the Minister time to make effective alternative plans. We very much appreciate the decision of the Minister to go beyond the date of 7th December, and his statement that where plans are in a reasonably advanced and practical shape at that time he is willing to give them sympathetic consideration, but we honestly believe, in view of the "economania" of the National Government, that the interpretation of the promise will not be as wide and as liberal as we should like. If the date were July, 1933, the Minister would have time to make other plans. We do not think that the gap which will be created by the sacrifice of all the machinery, built up over many years, for dealing with the housing problem can be effectively bridged by agreeing to accept plans that may be prepared, or partially prepared, at Christmas or January, or perhaps by the end of this month.

The machinery that was evolved for the purpose of dealing with house building was very effective, and we might say that it was the most effective machinery that has been evolved for that purpose in any part of the world. That machinery was constructed since the War, and all of it is to be dropped. Nothing tangible is to take its place. So far as we are aware, no official pronouncement has been made on the part of the building societies that they are committed to anything. They are not, so far as we are aware, pledged to do anything. Consequently, there will be a definite gap created by sacrificing the whole of the established organisation. We very much regret that the subsidy is to be abandoned altogether. The Ministry would be well advised to accept our proposal to take at least six months in which to move and in which to be able to get something tangible from the building societies, who have not yet made any general declaration.

We cannot lightly regard the sacrificing of the machinery that has been stablished. Over 2,000,000 houses have een built since the War, a most ormidable proposition in housing which as been accomplished as the result of achinery evolved by the Ministry of ealth, through municipal authorities, mployers and organisations set up all ver the country. All that is to be ropped. We are throwing ourselves nto the pool of chance by saying that nder the Bill provision will be made or building societies to advance up to 0 per cent. of the cost, and that the uilders have to fill in the gap between 0 per cent. and 100 per cent.; but there s no guarantee. There has been no fficial announcement, and no one has hallenged the building societies. Every-hing is left to chance, and the Minister hould have the opportunity effectively to repare something to take the place of hat which he is now proposing to bandon. The 1st July is we think the arliest date that should be laid down in his Clause.

.33 p.m.

Sir HENRY CAUTLEY: I entirely gree with what the Minister has said, ut I would like to ask him why, under his Amendment, he requires the pproval of the Treasury?

Sir H. YOUNG: The hon. and learned ember realises, of course, that the point e is discussing arises upon the next mendment but one.

Sir H. CAUTLEY: I agree, as a matter f order, but if I may be allowed——

The DEPUTY-CHAIRMAN: Perhaps he hon. and learned Gentleman had etter raise the point on the discussion f the Minister's Amendment.

Sir H. CAUTLEY: I understood that e were discussing this question because he Minister had referred to his Amend-ent when dealing with the Amendment hich is now before the Committee. It ould influence the minds of some of us f this matter were clear up. I will be ery brief if I may refer to this matter.

Sir H. YOUNG: Perhaps we might ave a wider discussion to include my mendment. That would save the time f the Committee, and we should not ave to deal with the same points over gain when my Amendment turns up.

Mr. DENMAN: Hon. Members seem to me omitting the Amendment that lies in between the two which they are discussing. In that Amedment there is no reference to the Treasury and no reference to the date. It leaves the matter to the discretion of the Minister.

The DEPUTY-CHAIRMAN: If it is the wish of hon. Members, I will take a discussion on the three Amendments, the one now before the Committee, the one in the name of the hon. Member for Ormskirk (Sir S. Rosbotham), and the one in the name of the Minister. If that course is objected to, I will proceed with the Amendment in the name of the hon. Member for Ormskirk, and in that case I think we had better discuss the points raised in the Minister's Amendment when we come to it. I am in the hands of the Committee, and I will take any course that is desired.

Mr. DENMAN: It may be found speedier to conduct the business in strict order, and to discuss the Minister's Amendment when it arises.

The DEPUTY-CHAIRMAN: It may be the most convenient course if we dispose of the present Amendment and then raise any further points on the Minister's Amendment.

Mr. MORGAN JONES: I would like to point out that we cannot effectively discuss our Amendment alone, because the right hon. Gentleman has suggested that his Amendment is the alternative to ours. It is clearly open to us to argue that our Amendment is a much better way of meeting the point that the right hon. Gentleman meets in his Amendment. It would be therefore much better if we could discuss them together.

Mr. McENTEE: I should very much like to have said a word or two on the Minister's Amendment when I was speaking, but I have felt that I was precluded from doing so because it would have been out of order.

The DEPUTY-CHAIRMAN: I am in the hands of the Committee, but it seems to me that it will be better on the whole to take all the discussion on this Amendment. If hon. Members object, it is not for me to overrule them.

Mr. C. WILLIAMS: Is it not possible to deal with the dates raised in this Amendment and on the Minister's

[Mr. Williams.]
Amendment, and to leave out entirely the other Amendment which comes in the middle, the subject of which is as to whether the Minister may determine the date? Then we could deal with the point as to whether the Minister should have a discretion in regard to the date. They are two separate propositions.

Mr. DENMAN: It seems to be the general will of the Committee to have a general Debate, and I therefore withdraw my objection.

Mr. LANSBURY: I think that we should be able to vote on each Amendment, even if we discussed them together.

The DEPUTY-CHAIRMAN: Obviously that must rest with the hon. Member in charge of the Amendment. If that hon. Member desires a vote, he will move for the matter to be decided upon forthwith.

6.38 p.m.

Sir H. CAUTLEY: The principle to be decided and the whole object of the proposal which we are now discussing is, as I understand it, to take care that those local authorities who have gone to the expense and trouble of preparing their plans, and who have got everything almost ready for submission to the Minister by the 7th December, should still be able to obtain the subsidy under the Act that we are altering by this Bill. The question is whether those plans and the steps that have been taken are such as make it fair and just that the authorities should go on under the old Act and should not be subject to the limitations provided by the Bill, which would mean that they have no subsidy. It is not affected by the amount of money which is involved. I suggest to the Minister that it is obviously a question for him and his Department to decide. He is in constant communication with the local authorities. The matter depends, as I read the Bill, on whether the plans under the old Act have been so far prepared and schemes so far adopted that it would be unfair to cut them off short on 7th December and to render all the work that has been done wasted, subject to the provisions of this Bill. I understand that some question has been raised with the Minister by the Corporation of Liverpool, but there is no reason whatever to bring the Treasury in here, because it is a matter that ought to be left to the Minister himself. If the Corporation of Liverpool has the slightest trouble or anxiety because the steps that they have taken have gone to such a point, it is the Minister himself who will have to deal with that situation.

6.41 p.m.

Mr. DENMAN: After the speech of the hon. and learned Member for East Grinstead (Sir H. Cautley) it is advisable that I should bring into the picture the Amendment which stands in the name of my hon. Friend the Member for Ormskirk (Sir S. Rosbotham) and myself and other hon. Members, because that Amendment does precisely what the hon. and learned Member wants. The Amendment is to add at the end of the Clause the words:

"save in such cases as the Minister may determine."

It leaves the Minister as much discretion as he now possesses in the matter of raising money and of approving loans for housing, and it avoids the specific reference to the Treasury to which the hon. and learned Member objects. It is clear that the argument in favour of the principle of our Amendment is accepted in all quarters of the Committee. The idea that the axe should fall suddenly and sharply, to withdraw the subsidy from any house in respect of which proposals had not been submitted by 7th December, is repudiated. There must be elasticity. Submission of a proposal is not a good criterion of whether houses should or should not receive the subsidy. Our Amendment proposes, in a single sentence, the recognition of the fact that these proposals will be in the very last stage of incubation. Some will be nearly coming out, and some will hardly have been put into the incubator. We wish to leave the Minister complete discretion to be able to examine the egg and if it is fertile, and if he sees that it is shortly going to hatch out, we ask him to regard it as a chick.

6.43 p.m.

Sir P. HARRIS: We have heard a very specious speech from the Minister and one that was very persuasive. The Minister almost persuaded the hon. Member for East Woolwich (Mr. Hicks) that if his Amendment were carried it would t make very much difference to that the Minister himself. The hon. Mem- r is too old a bird to be caught with at. He was very nearly caught by it, t before he had finished his speech he d wriggled out of it. The Committee ght to realise this fundamental differ- ce: I want the Acts of Parliament m 1923 to 1924 to operate for another months, whereas the Minister wants bring them to an end and take them the Statute Book for all practical rposes, and to bring in the provisions Clause 2. I agree with the hon. ember for East Woolwich that that is sudden a change. This is a great w experiment which I hope is going be a success. I hope that the build- g societies will function, and that pri- te enterprise will be effective.

Inevitably, new organisations like those oposed in the Bill, and new methods d new ideas cannot come into opera- n right now. It must take at least six nine months. The builders have to get e financial assistance arranged, they ve to buy the land, to lay out the ads, and to make arrangements about werage and so on. Anyone with perience of housing development knows at it is necessary to look a long way ead; that, indeed, is the real problem housing, and it takes time. You can- t turn out houses like sausages out of machine; it means long thought-out ns. Local authorities have now built a complete organisation, with archi- ts, valuers and engineers. They ssess knowledge and information, and n go right on to build houses. This nendment proposes that the old chine should continue operating for months, so as to give time for the w experiment devised by the right hon. ntleman to mature. I am informed at only three building societies have reed to this proposal. The great bulk them are still hesitating on the brink; ey are not yet persuaded; and there is eal danger in an interregnum between e old order and the new. Instead of a eat push in house building such as the nister wants, it may mean, and I think will mean, a complete hold-up, with al authorities stopped, and private ilders and building societies still nking out plans.

I think that the Amendment is a asonable one. Of course, the Minister s always the power to veto any scheme that may be unsound. He has had that power ever since the Act of 1923. We want the machinery of the Acts of 1923 and 1924 to go on for another six months. It may be said, and with some reason, that local authorities would take advantage of this to push forward a great number of schemes and get them through within the next six months. I hope they will, because houses are required. This is a most critical moment as regards unemployment. Money is cheap, materials are cheap, building costs are low, and it would be a great thing if during the next six months the Minister could say to local authorities all over the country: "You have six months more in which to get on with your business, and then you will disappear." I think that this is a sensible Amendment, which would meet a good deal of the opposition of all those good people throughout the country who are terribly depressed and upset at this complete change of policy. I am in favour of the Amendment, and shall certainly vote for it.

6.48 p.m.

Major HILLS: I think I shall be in order now in discussing the Minister's Amendment as well as that which has been moved by the hon. Member opposite. The Minister's Amendment, I apprehend, does two things. It gives to the Minister a discretion to admit for subsidy schemes which were substantially ready to be submitted before the 7th December last, and I take it that the object of that is twofold. It enables the Minister to meet hard cases, and there certainly will be some hard cases—we have heard of them already; and, further, to tide over the transition period between the old system and the new. The Minister may have to bring in more cases under the old system, in order that there may be no gap between the old system ceasing and the new system starting. These are both really valuable powers, and they are given to the Minister by means of a discretion. He may treat these proposals as though they had been submitted before 7th December. But there is a very important qualification—it is to be subject to the approval of the Treasury. I understand the giving of a discretion to the Minister, and I understand a limitation by the Treasury, but I do not quite see how these two are going to work together.

[Major Hills.]

This is a partnership, and I want to know whether the Minister is the predominant partner, or the Treasury. I can conceive of the imposition of a limitation for several different reasons.

The Treasury may say that they will only approve of a certain number of houses—a quite conceivable limitation; or, more probably, the Treasury may say that they will only approve of a certain financial commitment, a certain definite sum. These are important considerations. The Minister's responsibility, however, is wider than that. He has to consider, as I have said, the necessity of easing the transition stage, and he may have to consider the needs of the locality and the necessity for housing in certain places. I should like to know on what terms the Treasury are to approve or disapprove of a scheme. If we have the Minister there, we can tell more or less. We know him, and, if he does not approve, we can ask him why. But the Treasury is an impersonal body, and its consent is given or refused away from the House of Commons. That would mean the putting of a bar upon the Minister's discretion which might not be for the benefit of housing.

We all admit the necessity of economy, but, at the same time, I think the Committee ought to bear in mind the big change that we are making here, and the great importance of seeing that there is no break in the continuity, and also of seeing that special cases are met, and met not entirely upon the financial obligations involved. We all know that certain parts of the country are more distressed than others, that certain parts are more crowded than others; and I should like to see the Minister the judge in such circumstances. I believe that a certain amount of public expenditure is not only justifiable now, but beneficial. I believe that we have passed out of the era of extreme economy and cutting down everything, and that it is being generally recognised that beneficial expenditure, even though it does not produce a complete financial return, is of advantage to the country. I think that for that reason it is extremely important that we should know where we stand in this matter. Are we to be held up entirely upon financial considerations, or is the Minister confident that the great powers of persuasion which he exercises to the full in the House of Commons will be equally effective when exercised on the Treasury?

6.54 p.m.

Mr. MORGAN JONES: I do not feel that the Minister, in the remarks that he addressed to the Committee a few minutes ago, quite did justice to the Amendment moved by my hon. Friend. I think that a very strong case can be made out for the Amendment, and that, on merits, it deserves the support of the Committee to an even greater degree than the suggestion of the Minister himself. The right hon. Gentleman wishes to fix a certain date in December, 1932, as the appointed day, if I may so call it. We wish to fix a date in July, 1933. What are the respective merits of the two dates? I think it is unfair to many local authorities to fix upon December, 1932. A great crisis occurred in this country in 1931, and a great wave of economy spread throughout the land. Great pressure was brought to bear upon local authorities to cut down their activities, and it is fair to assume that, certainly for a long time during 1932, local authorities presumed that it was not very much worth while to discuss plans for building new houses, and probably, therefore, they did not press on with that side of their activities to the degree that they otherwise might. If, therefore, the Minister insists upon fixing the date in December, 1932, it is fair to assume that a comparatively small number of local authorities could argue that their plans were sufficiently advanced to merit the Minister's approval. We suggest, therefore, that, if the date were changed from December, 1932, to July, 1933, it would give to local authorities who would like to be included within this provision a much better chance of being included than if the original date is adhered to.

I recall that in 1929 the then Labour Government desired to encourage local authorities to build a number of schools within a certain period, and their standard was that, so long as the work was contractually undertaken between certain dates, the Treasury was prepared to make an additional credit grant. That may not be possible in this case, but it seems to me that the Minister ought to give a chance to authorities which were prevented by the period of crisis from going ahead with their plans, to get in before the door is finally closed. What the Minister's alternative? His offer plies to cases in which the plans were bstantially ready—I think that those e the words. But what does "subntially ready" mean? It is loose raseology, to say the least. I dare say e Minister will apply it in as fair and st and impartial a way as he can, but, wever just and impartial he may be, will inevitably create a great deal of sappointment, and there may be some kind reflections upon the measure of scretion which he has exercised. If, wever, he fixes a definite date six onths from now, no one will have a ght to complain, because everyone will ow that they must be ready by a cerin date in July, and that, if they are t in "on the ground floor," to use a mmon expression, before then, that will their fault, and they will not be able blame the Minister for it.

I was glad to hear the right hon. and llant Gentleman the Member for Ripon lajor Hills) and the hon. and learned ember for East Grinstead (Sir H. utley) point out that even the Minter is going to be circumscribed under e terms of his own Amendment; he is t to be master in his own house. I n understand that the Government may sire to take control of the amount of oney to be spent, but nowadays we ar too frequently the cry that everying must be subject to the *ipse dixit* of e Treasury, and the right hon. and llant Gentleman has given expression a growing opinion in the House that e time for economy in cutting down cially desirable work of this sort has me to an end. The dead hand of the easury ought to be removed. If, therere, we can put in our date, large numrs of plans will flow in to the right n. Gentleman. But even if there are ge numbers of plans, he will still have, der the old law, the right to withhold e sanction of any plans which do not et with his approval. There are merits tached to our proposal which the right n. Gentleman has overlooked, and I g him to reconsider our Amendment.

p.m.

Sir H. YOUNG: It is necessary, when are discussing the third Amendment, at I should add a word regarding the her two Amendments. I do not want repeat the argument on the subject of e Amendment we are voting upon first. That Amendment has the effect that the only people it would help would be those who were artificially stimulated at the last moment, and who pushed their affairs along to get them through. Let me pass to the next Amendment. That Amendment, as far as its practical working and intentions are concerned, is identical with my Amendment. The reason why I ask the Committee not to accept this Amendment is that it is really too vague in its terms. It is a novel experience for a Minister to stand at this Box and protest against too large powers being conferred upon him, but by this Amendment I should be promoting what is not good legislation.

When power is conferred upon a Minister some definition must be given by the Act as to policy, or the circumstances, under which that power is to be exercised. I do not find these requisite directions in this Amendment. These directions are given in the Amendment I propose to the House which sets out, the Committee will remember, that if the Minister is satisfied that proposals for providing, or promoting, the provision of houses under the Acts in question have been prepared, and were substantially ready to be submitted to him before 7th December, he may, subject to the approval of the Treasury, treat the proposals for the purposes of this Section as if they had been submitted to him before that date. The final words would give the Minister the necessary instructions from the House of Commons that he is to give consideration to schemes which "had been prepared and were substantially ready." The right hon. Gentleman who spoke last claimed that these terms were too vague or too wide. The intention is that they should be wide.

I think the Minister should be subject to some direction, but he should have wide discretion as to the acceptance of plans which are prepared and substantially ready, and commend themselves to him on general grounds. I do not hesitate not only to admit, but to claim, that the words are quite wide. The point is that we must put the matter in this form, and not in the more arbitrary form proposed by the other Amendment. This is really doing something to meet the class we want to consider. The other Amendment is arbitrary, and not co-extensive with that class. We

[Sir H. Young.]

want to consider the matter on the merits. I come to the point taken by my hon. and learned Friend and my right hon. and gallant Friend the Member for Ripon (Major Hills). I confess to some surprise at this attracting any comment. The policy which this Committee is asked to approve is that applications, which recommend themselves, shall be accepted and that is a policy which the Minister will be authorised to carry out. I am asked who is to be the predominant partner. I have no hesitation in saying that, with regard to housing policy, the Minister will be the predominant partner and will have the decision as to the applications to be accepted.

It is quite usual to insert these words in Acts of Parliament where a single non-recurrent financial charge is in question. It is put in because the powers granted here—the powers which I deliberately ask—are so wide that if abused by a Minister—one must consider possibilities, not probabilities, in Acts of Parliament—if they were abused by me, or some more fortunate successor, they might confront the Treasury with an embarrassing position. That is always a feature of powers of this sort granted for single non-recurrent transactions. I think it is not only usual but is really wise and sensible, to recognise the presence of the factors which are necessary for decisions, and the financial factor is represented by the Treasury. That is all that the insertion of these words means, and, in the circumstances, I do not think they need cause any undue apprehension to the minds of hon. Members. I think at this juncture the Committee might come to a decision on the Amendment.

7.10 p.m.

Major MILNER: I do not think the Committee will be satisfied with the Minister's further explanations. On every side of the Committee there is opposition to the Minister's Amendment. I do not think that, so far, mention has been made of there being considerable opposition outside the House from a very influential quarter, the Association of Municipal Corporations. Incidentally, the electors of Rotherham have expressed in no uncertain voice their view.

Sir H. YOUNG: Will the hon. and gallant Member allow me to ask him to what expression of opinion of the Association of Municipal Corporations he refers?

Major MILNER: The Association of Municipal Corporations, or the housing committee of that Association, saw the right hon. Gentleman on 2nd February and informed him that they viewed with very grave alarm the suggestion made in the Bill now before the Committee, namely, that the subsidy should be cut out immediately. They pointed out that only 12 months ago the right hon. Gentleman requested members of that Association to do what they could to remove the very serious and urgent need for the provision of small houses. He circularised the municipalities to that effect and now, within 12 months, he is coming along to them again before they are able to tackle the problem. He is now proposing that the subsidy should be cut clean away. So far as they can ascertain, from the great knowledge they possess, they cannot see any possibility, under the proposals now made, of providing houses to let at anything like the present rental, so the problem is to remain unchanged.

Sir H. YOUNG: I do not think the hon. and gallant Member wishes to mislead the Committee, but the opinion of the Association of Municipal Corporations was expressed before my present Amendment was proposed.

Major MILNER: I have not quite finished. I hold in my hand a letter from the Association of Municipal Corporations, dated since the Minister's Amendment was put on the Paper, and they express the hope that I may see my way to object to the present Amendment which is before the Committee. Is the Minister content with what I said, namely, that the Association of Municipal Corporations is, in effect, objecting not only to the original proposals to stop the subsidy, but also to the present proposals?

Sir H. YOUNG: I did not know of the later document which the hon. and gallant Member has, nor has he read it to the Committee. I have no information of the fact that the Association objects to the form of the present Amendment.

Major MILNER: I am sure the right hon. Gentleman will do me the justice of believing that I have such a letter in my hand, which I shall be most happy to show him.

HON. MEMBERS: What is the date?

Major MILNER: The 25th February. It is a letter which I received this morning, and I have no doubt that my hon. Friend on the Front Bench, who is a vice-president of the association, also received one.

Mr. WOMERSLEY (Lord of the Treasury): Why do you not read the letter out?

Major MILNER: Why do you not bring your copy out and hand it to the Minister? The position is that the influential body, to which I have referred, not only take exception to the right hon. Gentleman's first proposals, but have stated that in their view—I will not put it quite so strongly as to say the right hon. Gentleman has not quite played the game. But he did request them to provide certain further houses, and then he comes forward with this proposal, which was, at first, to stop this subsidy altogether. He now comes forward with a further proposal in which the matter is left entirely to his discretion, subject to the approval of the Treasury. What can the object of that be? The inclusion of these words means something. I think it is a decision, by the use of these words, to limit the consideration of proposals which municipalities might put forward now. In these circumstances, I do not think the Committee should, without some more definite assurance from the right hon. Gentleman, pass this Amendment.

I hope the Committee will approve of the Amendment proposed by my hon. Friend which suggests that a date should be fixed in July, 1933. I would remind the right hon. Gentleman the Minister of Health, and the Parliamentary Secretary, that on 15th December the Parliamentary Secretary said that, in this matter, obviously some date had to be fixed. The Parliamentary Secretary added on that occasion that when we came to the Committee stage we would see whether a date could not be fixed in order to include genuine applications and exclude spurious ones. It was not then suggested that the matter should be one for the discretion of the right hon. Gentleman, either with or without the approval of the Treasury. It was in pursuance of that statement, made I am sure with the approval, if not in the actual presence of, the Minister, that my hon. Friends put down their proposal in which they inserted a date, and a very reasonable date, not six months ahead. It is going to take quite a considerable time to prepare the necessary technical work to enable the local authorities to go on with their building.

It has been said that only three building societies have indicated their intention of participating in the scheme. In the very nature of things, they are only likely to invest their surplus funds in schemes under this Bill. If they can lend funds to their occupiers or in other directions at 5¼ per cent., they are not likely to lend under the Government scheme, though, no doubt, they will do what they can to assist as far as their surplus funds are concerned. I hope the Committee, in view of the statement of the Parliamentary Secretary on 15th December, will pass the Amendment, and will pay due regard to the views of such an important body as the Association of Municipal Corporations in taking exception to the right hon. Gentleman's Amendment, because it is clearly directed to limiting the number of proposals that are likely to be considered by him.

7.20 p.m.

Mr. ATKINSON: I cannot understand anyone raising any objection to the Minister's Amendment, and I do not want to say anything about that, but the earlier Amendments deserve a little more sympathetic consideration, particularly the second one, which I prefer. I think it will take quite a considerable time to get the scheme of Clause 2 in operation. I find that local builders are very averse from building to let. They understand that it implies some restriction on their right to sell for some unknown period. They are busy building for the purpose of selling, and they tell me they are terrified at the cost of road making. They say it is too expensive to buy land for building small houses on roads that are already made and, if the roads are not made, the local authority can come along at any moment and make them in an expensive way. They say that as long as that burden has to be faced there will be, in their view, an insuperable barrier to very much use being made of Clause 2 by local builders. It seems to

[Mr. Atkinson.]

me that more time than is contemplated will be wanted to get that Clause into operation. The builders will have to be got together, to be brought in touch with the building societies and to meet the chairman of the building committee of local authorities to indicate the sort of programme the local authorities would have undertaken if they had the power, and every inducement will have to be brought to bear upon them to put the scheme into operation. I cannot help feeling that there ought to be some discretion with the Minister far beyond that in his own Amendment, giving him power, without limitation as to date, to approve schemes under the old system where he finds that builders cannot be induced to put Clause 2 in operation.

Question put, "That the words proposed to be left out stand part of the Clause."

The Committee divided. Ayes, 247; Noes, 50.

Division No. 55.] AYES. [7.22 p.m.

Acland-Troyte, Lieut.-Colonel
Agnew, Lieut.-Com. P. G.
Albery, Irving James
Allen, Sir J. Sandeman (Liverp'l, W.)
Allen, William (Stoke-on-Trent)
Applin, Lieut.-Col. Reginald V. K.
Atholl, Duchess of
Atkinson, Cyril
Baillie, Sir Adrian W. M.
Balfour, Capt. Harold (I. of Thanet)
Balniel, Lord
Banks, Sir Reginald Mitchell
Barclay-Harvey, C. M.
Beaumont, M. W. (Bucks., Aylesbury)
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Bernays, Robert
Birchall, Major Sir John Dearman
Bird, Ernest Roy (Yorks., Skipton)
Blindell, James
Borodale, Viscount
Boulton, W. W.
Bower, Lieut.-Com. Robert Tatton
Bowyer, Capt. Sir George E. W.
Boyd-Carpenter, Sir Archibald
Braithwaite, J. G. (Hillsborough)
Brass, Captain Sir William
Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Brig.-Gen. H. C. (Berks., Newb'y)
Browne, Captain A. C.
Buchan-Hepburn, P. G. T.
Burnett, John George
Cadogan, Hon. Edward
Campbell, Edward Taswell (Bromley)
Campbell, Vice-Admiral G. (Burnley)
Caporn, Arthur Cecil
Cautley, Sir Henry S.
Cayzer, Sir Charles (Chester, City)
Cayzer, Maj. Sir H. R. (Prtsmth., S.)
Cazalet, Thelma (Islington, E.)
Chapman, Col. R. (Houghton-le-Spring)
Chapman, Sir Samuel (Edinburgh, S.)
Chorlton, Alan Ernest Leofric
Christie, James Archibald
Clarry, Reginald George
Cochrane, Commander Hon. A. D.
Colfox, Major William Philip
Collins, Rt. Hon. Sir Godfrey
Colville, Lieut.-Colonel J.
Conant, R. J. E.
Cook, Thomas A.
Cooke, Douglas
Courtauld, Major John Sewell
Cranborne, Viscount
Croom-Johnson, R. P.
Crossley, A. C.
Culverwell, Cyril Tom
Dalkeith, Earl of
Davidson, Rt. Hon. J. C. C.
Davies, Maj. Geo. F. (Somerset, Yeovil)
Denman, Hon. R. D.
Denville, Alfred
Dickie, John P.
Donner, P. W.
Drewe, Cedric
Duckworth, George A. V.
Duggan, Hubert John
Duncan, James A. L. (Kensington, N.)
Dunglass, Lord
Emmott, Charles E. G. C.
Emrys-Evans, P. V.
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Everard, W. Lindsay
Falle, Sir Bertram G.
Fielden, Edward Brocklehurst
Ford, Sir Patrick J.
Forestier-Walker, Sir Leolin
Fox, Sir Gifford
Fuller, Captain A. G.
Ganzoni, Sir John
Glossop, C. W. H.
Gluckstein, Louis Halle
Goff, Sir Park
Goldie, Noel B.
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Grattan-Doyle, Sir Nicholas
Greene, William P. C.
Grimston, R. V.
Guinness, Thomas L. E. B.
Guy, J. C. Morrison
Hacking, Rt. Hon. Douglas H.
Hales, Harold K.
Hamilton, Sir George (Ilford)
Hanley, Dennis A.
Hannon, Patrick Joseph Henry
Hartland, George A.
Harvey, George (Lambeth, Kenningt'n)
Harvey, Major S. E. (Devon, Totnes)
Headlam, Lieut.-Col. Cuthbert M.
Heilgers, Captain F. F. A.
Herbert, Capt. S. (Abbey Division)
Hills, Major Rt. Hon. John Waller
Holdsworth, Herbert
Hopkinson, Austin
Hornby, Frank
Horobin, Ian M.
Horsbrugh, Florence
Inskip, Rt. Hon. Sir Thomas W. H.
Jackson, Sir Henry (Wandsworth, C.)
Johnston, J. W. (Clackmannan)
Jones, Sir G. W. H. (Stoke New'gton)
Ker, J. Campbell
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Lamb, Sir Joseph Quinton
Law, Sir Alfred
Law, Richard K. (Hull, S.W.)
Lees-Jones, John
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Levy, Thomas
Lewis, Oswald
Liddall, Walter S.
Lindsay, Noel Ker
Lister, Rt. Hon. Sir Philip Cunliffe-
Llewellin, Major John J.
Lloyd, Geoffrey
Lockwood, John C. (Hackney, C.)
Loder, Captain J. de Vere
Lovat-Fraser, James Alexander
Mabane, William
MacAndrew, Lieut.-Col. C. G. (Partick)
MacDonald, Malcolm (Bassetlaw)
McEwen, Captain J. H. F.
McKeag, William
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Macmillan, Maurice Harold
Magnay, Thomas
Maitland, Adam
Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. R.
Mayhew, Lieut.-Colonel John
Mills, Major J. D. (New Forest)
Milne, Charles
Mitchell, Harold P. (Br'tf'd & Chisw'k)
Molson, A. Hugh Elsdale
Morris, John Patrick (Salford, N.)
Morris, Owen Temple (Cardiff, E.)
Morris-Jones, Dr. J. H. (Denbigh)
Morrison, William Shepherd
Moss, Captain H. J.
Muirhead, Major A. J.
Nall, Sir Joseph
Nall-Cain, Hon. Ronald
Nation, Brigadier-General J. J. H.
Newton, Sir Douglas George C.
Nicholson, Godfrey (Morpeth)
Nunn, William
Ormsby-Gore, Rt. Hon. William G. A.
Palmer, Francis Noel
Pearson, William G.
Peat, Charles U.
Percy, Lord Eustace
Petherick, M.
Peto, Sir Basil E. (Devon, Barnstaple)
Peto, Geoffrey K. (W'verh'pt'n, Bilston)
Pickford, Hon. Mary Ada
Potter, John
Powell, Lieut.-Col. Evelyn G. H.
Procter, Major Henry Adam
Pybus, Percy John
Ramsay, Capt. A. H. M. (Midlothian)
Ramsay, T. B. W. (Western Isles)
Ramsden, Sir Eugene
Ratcliffe, Arthur
Rawson, Sir Cooper
Reid, Capt. A. Cunningham-
Reid, James S. C. (Stirling)
Reid, William Allan (Derby)
Renwick, Major Gustav A.
Rhys, Hon. Charles Arthur U.
Roberts, Sir Samuel (Ecclesall)
Robinson, John Roland
Ross Taylor, Walter (Woodbridge)
Ruggles-Brise, Colonel E. A.
Runge, Norah Cecil
Russell, Albert (Kirkcaldy)
Russell, Alexander West (Tynemouth)
Rutherford, Sir John Hugo (Liverp'l)
Rutherford, John (Edmonton)

Salmon, Sir Isidore
Salt, Edward W.
Samuel, Sir Arthur Michael (F'nham)
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Sanderson, Sir Frank Barnard
Savery, Samuel Servington
Scone, Lord
Selley, Harry R.
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Shaw, Captain William T. (Forfar)
Shepperson, Sir Ernest W.
Skelton, Archibald Noel
Slater, John
Smith, Sir Jonah W. (Barrow-in-F.)
Smith, Louis W. (Sheffield, Hallam)
Smith, R. W.(Ab'rd'n & Kinc'dine, C.)
Smith-Carington, Neville W.
Somerville, Annesley A (Windsor)
Somerville, D. G. (Willesden, East)
Soper, Richard
Southby, Commander Archibald R. J.
Spears, Brigadier-General Edward L.
Stanley, Lord (Lancaster, Fylde)
Stewart, J. H. (Fife, E.)
Stourton, Hon. John J.
Strauss, Edward A.
Strickland, Captain W. F.
Sueter, Rear-Admiral Murray F.
Sutcliffe, Harold
Templeton, William P.
Thomas, Rt. Hon. J. H. (Derby)
Thomson, Sir Frederick Charles
Thorp, Linton Theodore
Titchfield, Major the Marquess of
Todd, Capt. A. J. K. (B'wick-on-T.)
Train, John
Turton, Robert Hugh
Vaughan-Morgan, Sir Kenyon
Wallace, John (Dunfermline)
Ward, Lt.-Col. Sir A. L. (Hull)
Wardlaw-Milne, Sir John S.
Warrender, Sir Victor A. G.
Waterhouse, Captain Charles
Wedderburn, Henry James Scrymgeour-
Wells, Sydney Richard
Weymouth, Viscount
Williams, Charles (Devon, Torquay)
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Windsor-Clive, Lieut.-Colonel George
Withers, Sir John James
Worthington, Dr. John V.
Young, Rt. Hon. Sir Hilton (S'v'oaks)

TELLERS FOR THE AYES.—
Captain Austin Hudson and Mr. Womersley.

NOES.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Bevan, Aneurin (Ebbw Vale)
Brown, C. W. E. (Notts., Mansfield)
Buchanan, George
Cape, Thomas
Cocks, Frederick Seymour
Cove, William G.
Cripps, Sir Stafford
Daggar, George
Davies, Rhys John (Westhoughton)
Edwards, Charles
Evans, David Owen (Cardigan)
Foot, Dingle (Dundee)
George, Rt. Hon. D. Lloyd (Carn'v'n)
George, Major G. Lloyd (Pembroke)
Greenwood, Rt. Hon. Arthur
Griffith, F. Kingsley (Middlesbro',W.)
Grithffis, T. (Monmouth, Pontypool)
Hall, F. (York, W.R., Normanton)
Harris, Sir Percy
Hicks, Ernest George
Janner, Barnett
Jones, Henry Haydn (Merioneth)
Jones, Morgan (Caerphilly)
Kirkwood, David
Lansbury, Rt. Hon. George
Lawson, John James
Llewellyn-Jones, Frederick
Logan, David Gilbert
Lunn, William
McEntee, Valentine L.
McGovern, John
Maclean, Neil (Glasgow, Govan)
Mallalieu, Edward Lancelot
Mander, Geoffrey le M.
Maxton, James
Milner, Major James
Owen, Major Goronwy
Parkinson, John Allen
Price, Gabriel
Rathbone, Eleanor
Salter, Dr. Alfred
Thorne, William James
Tinker, John Joseph
Wallhead, Richard C.
Wedgwood, Rt. Hon. Josiah
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE NOES.—
Mr. G. Macdonald and Mr. D. Graham.

Amendment made: In page 1, line 14, at the end, add the words:

" Provided that if the Minister is satisfied that proposals for providing or promoting the provision of houses under those Acts had been prepared and were substantially ready to be submitted to him before the said seventh day of December, he may, subject to the approval of the Treasury, treat the proposals for the purposes of this Section as if they had been submitted to him before that date."—[*Sir H. Young.*]

Motion made, and Question proposed, " That the Clause, as amended, stand part of the Bill."

7.32 p.m.

Mr. CHARLES BROWN: Before we part with the Clause there are one or two comments I wish to make. The Clause leaves us with an entirely new situation in regard to the housing of the working classes. The housing of the working classes has now, with the exception to which I will refer in a moment, become a question almost entirely for private enterprise. The Minister, both on the Second Reading Debate and in the Debate on the Financial Resolution, seemed to be pretty confident that the new situation which the Bill would create would be one in which private enterprise would be able adequately and cheaply to meet the needs of the working classes for houses. His refusal to accept the Amendment which we had put upon the Paper to continue subsidies in connection with rural housing led him to make a statement with regard to the policy of the Government on that particular matter. He told the Committee that the Government are now prepared to leave the matter entirely to the housing (Rural Workers) Act, and to what can be done for rural housing under the Act of 1930.

The right hon. Gentleman used two rather curious arguments in this connection. The argument he used about declining populations in the countryside was a very curious one to come from one of the leading Ministers of the National Government. I should have thought that the policy of the Government ought to have been a co-ordinated policy in all spheres of Government activity. I should have thought that the housing policy, either for urban housing or rural housing, would have fitted in with the general policy of the Government in regard to trade, industry and agriculture.

[Mr. Brown.]

We have been told that the policy which is being pursued by the Government in regard to agriculture will bring us an agricultural revival and that it will mean that more people will be settled in the countryside. It seems, at any rate, that the Minister of Health and the Department which deals with the question of housing have very little faith in the general policy of His Majesty's Government in connection with agriculture, because the Minister of Health this afternoon, in refusing an Amendment to Clause 1 which would have continued the subsidy to houses erected in agricultural parishes, stressed the fact, that apparently in his view there would be less need for houses in the countryside owing to declining population.

He went on to use another argument, saying that houses built in rural areas by means of subsidies were not houses which agricultural labourers could afford to occupy. That argument was very effectively demolished by the hon. Member for South Shields (Mr. Johnstone), and I do not propose to say any more about it. Obviously, the cessation of subsidies, particularly in connection with rural housing, leaves the agricultural labourer and the rural worker generally in a position in which they are not likely to have, in any future which I can visualise, any improvement in their housing conditions. I cannot for a single moment see the likelihood of private enterprise coming along and erecting houses in the countryside at rents which agricultural labourers and rural workers will be able to pay. The hon. Member for Aylesbury (Mr. M. Beaumont), in the course of the discussion this afternoon, said that the difference between us was primary, that he and those hon. Members who thought as he did believed that the question of housing the working classes was a matter for private enterprise, while we who occupy these benches thought that it was a social obligation—he did not actually use the words "social obligation"—on the part of the country, if the thing was not being done satisfactorily in other ways, to see to it that people who lived, not only in the countryside, but in the towns and the cities, were properly and adequately housed.

Mr. M. BEAUMONT: I know that the hon. Member does not wish to misrepresent me, but what I actually said wa that we believed that it was primarily matter for private enterprise only to b assisted when necessary by the State and that admits the social obligation o the public as a whole. But we sugges that it is better carried out by privat enterprise than by the State, and that i where we differ.

Mr. BROWN: The only thing I wish t say on the further explanation which th hon. Member has given, and which entirely accept, is that we on these benches do not think that the condition are such that the houses, which, as everybody agrees, are urgently needed, ar likely to be provided by private enterprise, and because we do not think tha that situation exists we strenuously oppose the proposals put before us in thi particular Clause. That is why I am making these comments before the Committee finally pass from the Clause. Obviously, only the future can decide the issue between us, but there is nothing ir past experience, as far as housing in this country is concerned, which leads us tc believe that private enterprise will ever adequately and decently house the workers in the countryside. There is nothing in past experience which leads us to that conclusion. If by some miracle a complete change takes place and private enterprise provides the dwellings which are necessary in rural England, the hon. Member will, I suppose, at some future date, have an opportunity of chastising us for the attitude which we are taking up on this occasion. But if, on the other hand, private enterprise fails to fulfil what many hon. Members opposite are obviously expecting it to fulfil in the distant future, the emphasis we put this afternoon upon the question of the social obligation upon the community to attend to the matter if no one else does, will amply be justified by the events as we see them in the days that lie ahead.

The hon. Member for Torquay (Mr. C. Williams), in opposing one of the Amendments to the Clause, said that he hoped the Minister would resist the Amendment, because he saw in it some kind of Socialist action designed to undermine entirely the attitude which His Majesty's Government are now taking up in regard to the question of housing. He went on to argue, particularly in connection with the countryside, that if there came a general restoration of prosperity, which is something, I presume, at which His Majesty's Government are aiming in their general policy, then, in some mysterious fashion, out of that general prosperity you would get the provision of the houses which the working-classes in rural England need so badly. In other words, he was saying that if the farmer and the tradesmen prosper, and generally prosperous conditions come about, then houses will be provided. That is the sort of argument he used, and, when you listen to arguments like that, you cannot help but remember that that has not happened in the past. There have been many prosperous periods in British history and many periods when business has been thriving and farmers and all kinds of undertakings have been doing well, but in such circumstances were the working-classes of this country housed under satisfactory conditions? If under prosperous conditions in the past that had actually happened, we should have had very little complaint to bring before the Committee to-day. It does not seem to us who sit on these Benches that when you have, by passing this Clause, abolished subsidies in connection with the provision of houses for the working-classes, except in the case of the Housing (Rural Workers) Act, where there is slight assistance, and in the case of the Act of 1930, you are likely to produce conditions which will effectively and definitely house the working-classes, and consequently we shall have no option on this occasion but, both by word and vote, to oppose this Clause.

7.44 p.m.

Mr. TINKER: I wish to support what has been said by my hon. Friend against Clause 1. It is the crux of the whole Bill and takes away all subsidies with the exception of the slum clearance subsidy. I have spoken to a good many of my friends who know more about housing than I do and are concerned with municipalities and have spent a good deal of time in endeavouring to provide for the needs of the working-classes. They looked forward to continuing providing that kind of house, but to their consternation they now find that the National Government, which I term the Tory Government, are reverting to their long established ideas of private enterprise. Behind this Bill lies the establishment once more of private enterprise. With the knowledge that those people have had of private enterprise in the building of houses and what it has meant, they feel that no good can come from the Government's proposal. For a long time private enterprise has failed to provide adequate housing accommodation for the people and because it failed, the Government had to step in and try to do something. The people of my class, realise what it means. The class to which I belong have had the sad experience of not being able to get houses. Those of us who have been able to get houses have not been able to forget what has happened to our poor brethren who have not been able to get housing accommodation. Constant appeals have been made to us to assist them to get houses, and finally the Government had to give way to pressure and to grant subsidies.

The housing needs are not being satisfied. Wherever one goes there is a shortage of houses, and it is because of that fact that we are so keenly anxious that the House of Commons should not attempt to stop building by means of subsidies. If the Government do stop the subsidies, we believe that we shall go back to the position that existed when subsidies had to be given originally. The Minister of Health and the Parliamentary Secretary say that private enterprise can meet the needs. Candidly, I do not think it can, and it is because of that fear that we are so much opposed to the Bill. Because of our knowledge of what has taken place in the past, we hope that the House of Commons will not place the country in the power of private enterprise once more. If they do, it will mean once again a fight for houses. The owners of houses will be able to extort from the people more than they ought to pay, and they will do that by various means. Because of the tragedy of the shortage of houses I do hope that we shall be able to prevail upon the Government not to trust themselves to private enterprise again.

If at any time later they can satisfy me or any of my friends that the housing shortage has been met and that times have become normal, we might agree with them, but wherever one goes, or to whatever public body one speaks, one hears of the prevailing shortage. I have here a cutting from a newspaper of a conference on housing which was held at Manchester in January of this year, by the Industrial

[Mr. Tinker.]

and Social Order Council of the Society of Friends. That conference passed the following minute:

> "In view of the very acute problem of overcrowding and the serious housing shortage, we believe that it would be a disastrous step to abolish all ordinary municipal housing development and to leave it to the uncertainty of private enterprise to meet this great need, which might so easily be exploited for private profit."

It is because of the fear of what might happen that we are opposing Clause 1. If we can defeat Clause 1, we shall be well satisfied with our work to-night. Looking at the House at the present moment it is hardly fair that there should be recorded in the Division Lobby, when the vote is taken, probably the names of 300 Members against us, although there are not more than 50 Members in the House. I do not think it is right that hon. Members should crowd into the Lobby to support the Government unless they fully realise what the trend of the discussion has been. It may be that we can put forward nothing fresh in our arguments and that we are saying what has been said before, but it is not fair to the House of Commons that on an important matter like this the House should not be crowded by hon. Members listening to the discussion on the merits of the case.

Sir SAMUEL CHAPMAN: Will the hon. Member count how many there are on his own side? You are seven, I think.

Mr. TINKER: Yes. Probably the hon. Member has a right to point to my side, but may I say that these benches have been fairly full this afternoon and that my hon. Friends have to go out to procure some refreshment to stimulate them to carry on the Debate? We have to go in relays, because there is only a mere handful of us.

Sir S. CHAPMAN: Our friends have to do that, also.

Mr. TINKER: The hon. Member's friends are more numerous than we are. Surely, they could provide more representatives here in order to keep things going. We are certainly entitled to a better assembly than we get on these occasions. It really gives the spectators the idea that we pay little attention to the business of the House of Commons. This is a matter of great importance to the working classes, and I hope that we shall be able to persuade the Committee not to pass Clause 1.

7.51 p.m.

Major PROCTER: One would have more regard for the sincerity of the Labour Opposition in regard to the question of subsidising houses if they would help in the matter of restricting somewhat the lines of demarcation which exist in the various trades concerned in the building of houses. When municipalities or Governments engage in the building of houses for the working classes it would appear as if those who are engaged in the building industry, both masters and men, regard the municipality or the Government as a milch cow from which they can extract everything possible for the benefit of profit on the one hand and the highest trade union rates of pay and conditions on the other. If Labour were sincere in this matter of houses it would be easy to do something useful by reducing the harshness, the fine lines which are drawn between one trade union and another. It was my lot at one time to live in a municipal house that was built under the grandiose scheme of Dr. Addison. It was supposed to be a working-class house, and it cost £1,200 to erect. When I got into that house the gas was not on. When the gas was turned on, it was found that the workmen had nailed the skirting board and the picture rails to the gas pipes, with the result that something had to be done about it. I went to the foreman on this large municipal scheme, and he said: "That is quite right. I will send the plumber round, right away." The plumber came and knocked off the picture rail and the skirting board, and wiped the joints. He left the picture rail on the floor. I said to him: "What about this wood?" He replied: "Oh, I cannot touch that. That is a joiner's work." Next day a joiner and his boy came along and they put up the picture rail and the skirting board again. I then said: "The backyard gate is an inch too long and will not shut." The joiner replied: "Oh, I cannot touch that. It is an outside joiner's job." I found when I talked to the men that they were only allowed to place so much wallpaper per day. I have respect for trade unions. In fact, I am a member of one myself. [HON.

MEMBERS: "Oh."] Why should I not be? I served my apprenticeship as an engineer.

Mr. C. BROWN: Will the hon. Member tell me if a barrister would do a solicitor's job?

Major PROCTER: I am not arguing that point, but if barristers and solicitors claimed to be the friends of the working classes and refused to do what I am asking trade unionists to do, the hon. Member would have some cause for blame. Barristers and solicitors do not talk with tears in their voices of their interest in the working classes, and at the same time refuse to do things necessary for their best interests. In regard to the building of houses for the working classes by private enterprise, without a subsidy, I believe that we shall have something of the variety in the building of houses which we see at Port Sunlight. When subsidised houses are built by a municipality or under a Government, the Government or the municipality can only think in the terms of the mass. When Governments think of clothing, for instance, they think of it in terms of uniform, and when municipalities or Governments think of houses you have houses that are fit for jockeys to live in, all built to a standard type and subject to certain regulations. The subsidised houses built by municipalities will be slums 20 or 30 years from now. I hope that, at least, those Labour Members who are leaders of trades unions will be sincere in their utterances and will get the workers not to exploit the workers who want houses, and that they will endeavour as far as possible to assist in the building of houses that are worth while for the working classes of this country. In so far as rural areas are concerned, seeing that sooner or later we shall have people being settled on the land, cultivating a few acres and thereby providing a solution for one part of the unemployment problem, the Government might consider putting up in those wide open spaces houses built of wood, so that when a man gets on a little and makes his holding pay, the house might be replaced with a more permanent structure, and the portable wooden building might be moved to some other place.

The DEPUTY-CHAIRMAN: I do not think that the Question, "That the Clause, as amended, stand part," involves the whole question of Government building policy. We are limited to the question as to whether or not subsidies are to stop.

Major PROCTER: I hope that private enterprise may regard this matter in the light in which I have put it and that we may have, as I believe we shall have under this scheme, a great deal of property being erected, so that the working classes, people looking for homes, may find homes which are worthy of them and at a rent they can pay.

8.0 p.m.

Mr. BUCHANAN: I am tempted to follow the hon. and gallant Member for Accrington (Major Procter) in his attack on trade unions. If there is one section of the community which has a grumble against the Government under this Clause it is the employers and workmen in the building industry. In 1924 the Labour Government made an attempt to face the problem of housing as it existed at that time. There was a tremendous scarcity of houses, a shortage in building trade labour, and it was said that the industry was not organising itself. An appeal was made to all the parties concerned to try and get on with the provision of houses, and in response to that appeal the four parties concerned, the State, local authorities, the employers and the workmen, came to an agreement with the then Minister of Health to carry on for a period of 15 years. The building trade workers were given to understand that if they would lessen their restrictions the agreement would be made. In those circumstances the building trade agreed to lessen their restrictions. The number of boys allowed to become apprentices was increased and in addition men who had not properly served their time were allowed to rank as properly qualified masons.

The employers also have a grumble, because they planned their capital development on a 15-year agreement. To the credit of the building trade it must be pointed out that they produced houses under this scheme at a faster rate than ever before. Yesterday we heard a great deal about the sanctity of agreements, and the need for agreements being kept. This agreement is just as sacred as any agreement made with a foreign power,

[Mr. Buchanan.]

yet this Clause scraps the agreement and sets aside both employers and workmen alike. The Secretary of State for the Dominions is always telling us about the sanctity of agreements and taxes the Irish Free State with breaking an agreement; yet this Government proposes to cancel an agreement they have made. The building trade will probably learn by their experience. They have been shockingly treated by the Government, and no one can blame them if they safeguard their livelihood. But for a barrister to talk about the line of demarcation between workmen and to utter cheap sneers upon them is the limit of bad taste.

Major PROCTER: I made no aspersion on the workmen, but I did question the sincerity of Labour Members who speak on behalf of the working classes and yet refuse to do something which will help the working classes to get houses at a rent which they can afford.

Mr. BUCHANAN: The building trade, which has now an ample supply of labour, can provide the houses required three times over. There might be something in the hon. and gallant Member's case if the building trade could not supply the houses required, if their restrictions were keeping back house building, but the facts are all against the hon. and gallant Member. The building trade can supply the houses required if allowed to do so. The hon. and gallant Member draws a line between one trade and another, but he says that there must be no line of demarcation between lawyers and barristers. He must remember that a man who serves his time at a trade, say for five years, invests his livelihood in that trade and is not likely to throw up his whole livelihood because the hon. and gallant Member makes sneering remarks about how he does his work in the nailing up of some picture. Sneering and offensive remarks can be made about Members of Parliament. Any cheapjack comedian can make offensive remarks about politicians; and I say that members of the building trade do their work with credit to themselves and as craftsmen and compared with any other body of men either here or abroad. If they make a mistake in nailing up something it is only human after all. Their mistakes will not compare with the mistakes which this Government will make before their job is finished. I am tired of all this. I once knew a joiner who went to repair some property, and whilst doing the work was told by another man how he should do the job. When he asked the other man what he was and was informed that he was a billposter he said, "I cannot stand this. I cannot be told what to do by a man who is a billposter." And when the hon. and gallant Member tells working men how to do their job it is about the limit.

Major PROCTER: The hon. Member forgets that I, being an engineer, am entitled to do so; I could have done the job myself.

Mr. BUCHANAN: We have your assertion; but some of them will have sneering remarks to make as to how you do your job as a politician just as you have made sneering remarks as to how a plumber does his job. I have lived in an Addison house, and they have a lot of faults. They were built in very difficult times, when the industry was not organised and when men were coming back from the War after two and three years in the Army. These men were credited with the years they had served in the Army and were admitted as full tradesmen, because it was thought that they should not be penalised through having fought in the War; and the hon. and gallant Member sees fit to make sneering remarks. The Addison scheme left a lot to be desired, but it was a genuine attempt to build houses at a time when the country needed them, and I would sooner have the millions of pounds wasted in that way as perhaps some of that money was wasted, than the millions which were wasted in warfare in Russia and elsewhere.

I look upon this Clause as the violation of a treaty made between various parties to build houses over a period of 15 years, with a guarantee of a £9 subsidy. The value of such a subsidy was never greater than it is now. In 1924 the cost of houses was much higher, money was dear. Money is now, comparatively speaking, much cheaper, and costs are falling. A £9 subsidy which could not bring the houses down to a working-class level in 1924 would do so now, and now, when it is of the greatest value in the erection of houses, it is proposed to take it away. This is not the time for such a policy;

we must keep the subsidy because houses should be built in greater numbers now than ever before. No one who really considers the housing conditions of the country, urban or rural, can do so with any satisfaction. It is said that private enterprise can build the houses required. Private enterprise will only build when it can see a profit on the capital invested, and no one can argue that the building of working-class houses has yet reached a profit-making basis. The great bulk of the people who require them, the mass of the working population, are those whose wages are falling, who are working on short time and who are insecure in their employment. They cannot meet the rents which it will be necessary to charge if private enterprise is to make a profit. It is wrong to take the subsidy away at this moment and I hope the Committee will vote for it to remain.

8.15 p.m.

Mr. COCKS: The hon. and learned and gallant Member for Accrington (Major Procter) has seen fit to come down to this House and level a charge of insincerity against the Labour party on the question of housing. I do not question the sincerity of the hon. and learned and gallant Member for Accrington, but I do question his authority to speak on this question of housing. I should have thought that after his wide experience with the Black-and-Tans in Ireland he was a greater authority on burning down houses than on constructing them.

Major PROCTER: I hope the hon. Gentleman is not inferring that I was a Black-and-Tan.

Mr. COCKS: I was referring to the hon. Member's experience in Ireland in connection with the Black-and-Tans.

Major PROCTER: I was an officer in His Majesty's regular Army and not a Black-and-Tan.

Mr. COCKS: Anyone who served in Ireland during that terrible time must have a far better knowledge of burning down houses than of constructing them. I think that the hon. and gallant Member when he has been a little longer in this House will know better than to come here and charge his fellow Members with being insincere without, as far as I could see, any knowledge of the subject on which he was talking. As far as this Clause is concerned, there is less to be said for it than for any other part of the Government's policy. The Government's general policy seems to be the policy of doing nothing. Here they are going backward and causing people to be thrown out of work by withdrawing the subsidy for municipal housing. Therefore this is a Clause which deserves even greater condemnation than the general policy of the Government is receiving, not only in this House but throughout the country, at Rotherham and places of that kind where by-elections occur. My hon. Friend the Member for Mansfield (Mr. C. Brown) made a very interesting speech as to the effect of this Clause upon rural housing. That is a very important subject. At least 20 years ago a Royal Commission reported that there was a shortage of 200,000 cottages in the rural districts, and very little has been done since then to meet that shortage. Two years ago my friend Sir Tudor Walters had a scheme for building a large number of cottages in the country.

Mr. BUCHANAN: He and the Parliamentary Secretary to the Ministry of Health were then in the same group of the Liberal party.

Mr. COCKS: I do not know the extent of the intimacy between the Parliamentary Secretary and Sir Tudor Walters, but the facts I have stated are not in dispute. We have a great shortage of cottages in the country districts. Many of the existing cottages are very old. They may be very picturesque. Visitors from overseas admire them, with their honeysuckle round the door and all the rest of it, but these visitors would not like to live in the cottages. The sanitary conditions are very bad, there is often no water supply, and although the people are living in ideal surroundings, as far as the natural beauties of the countryside are concerned, they cannot be expected to be very healthy. So we find that in the villages, phthisis, rheumatism and all sorts of illnesses are extremely common. We have only to read the reports of medical officers of health on the condition and health of the children and people in the country villages to realise the importance of providing them with better accommodation. Apart from that, although the rural population is declining, there are workers who have no cottages to live in when they grow up and wish to get married.

Mr. BUCHANAN: Why should they wish for such a luxury?

Mr. COCKS: My hon. Friend thinks it is a luxury. It is one of the luxuries that he enjoys.

Mr. BUCHANAN: Rather expensive for me, anyhow.

Mr. COCKS: No, I think the hon. Member would be far worse off if he had not got that particular luxury. One result of the shortage of cottages is that the population of the countryside is coming into our towns and increasing the army of unemployed there. There is another effect to be borne in mind. Farm labourers often have to live miles away from their work, to which they have to cycle or walk in all sorts of weather. The children, too, live too far from their schools. Here public expenditure is involved, for the Government have to erect schools in widely scattered districts for a few children, whereas if the children were concentrated in the villages the expenditure on education would be less. Owing to the shortage of cottages we have also the terrible position of the people who live in tied cottages. We know that tyranny exists. Decent English people are sometimes afraid to express their views on politics or religion because they are afraid of being turned out of tied cottages, and they have nowhere else to go. The unemployed man in a town is a comparatively free man, for if there is another opportunity of getting work he can take it, but in the country very often if a man is thrown out of his employment he is thrown out of his cottage at the same time. The withdrawing of the subsidy is perpetuating conditions such as these.

Then there is the urban problem. Hon. Members opposite have only to read the "Daily Herald" every day to find some very vivid descriptions of the disgraceful state of the slum population in our great cities. I challenge anyone to read those articles and not say that slum clearance is one of the greatest tasks the Government can undertake at the moment. They should blow up the slums and rebuild them. Overcrowding conditions, we all know, are terrible. The families living in one room make a total of 500,000 people, and about 5,000,000 people are living in crowded conditions. Yet we have unemployment growing every day, builders out of work, and plenty of money available, in spite of the stranglehold that the Bank seems to have on the Government. In this matter the position of the Government in the presence of the Bank of England is like that of a frightened rabbit in the presence of a stoat. The Government seem to want to prove that the Chancellor of the Exchequer was right when he said that there would be no decrease in unemployment for 10 years.

The Government are taking away the subsidy from municipal authorities, and preventing those authorities from carrying on the rebuilding of houses in our towns. One of the things which I cannot understand is that a highly intelligent man like the Parliamentary Secretary to the Ministry of Health, sitting there with a highly intellectual party behind him, cannot see these things, or, that, if he sees them, he does not say: "This must be done, or, if it is not done, I will get out of the Government." It has been admitted by the Minister of Health that, whatever else he may say about this policy, it will not succeed in erecting houses which can be let at the lowest rents to the poorest of the people. The Minister has said that under this scheme the building societies cannot build the very cheapest houses.

The CHAIRMAN: The hon. Member is now going past the Clause with which we are dealing. We have not yet reached Clause 2 of the Bill.

Mr. COCKS: I will reserve my remarks on that point for Clause 2. What is really wanted to-day is a great national policy for rebuilding our towns and cities through the medium of municipal and other local authorities. This Clause strikes against such a policy. A policy of that kind would reduce unemployment, would improve the health of the people, and would bring about economy even from the point of view of the Treasury. But the Government are facing against that policy, and that is one of the reasons why the Labour party are unanimously opposed to this Clause.

8.28 p.m.

Mr. LOGAN: It may be that some Members of the Committee are very anxious to get this business out of the way, but we are anxious to have business done properly and to have a full expression of opinion on the Clause before us. Certain hon. and learned Gentlemen who are accustomed to sit in the courts may be anxious to get rid of business of this kind in the House of Commons, but in their own particular class of work they are not so expeditious and they should allow a little latitude to Members of this Committee who desire that full consideration should be given to a Clause of this importance. We, who come from working-class districts and who represent the people, more especially those of us who have served on housing committees, have a right to express our opinions even to a Minister of the Crown in charge of a Housing Bill. We may at times criticise the Minister from a political point of view, but I am anxious to approach this matter, not from a political point of view, but from the point of view of impressing upon a Minister in the National Government the necessity of giving some consideration to those people in our cities who are directly interested in the housing question.

The subsidy has been a Godsend to the depressed areas of this country. Under the subsidy system, it was found practicable by housing authorities to carry out their obligations and to give, in some measure, decent homes and the amenities necessary for the moral life of the people. When, in this year of 1933 a Minister of the Crown at short notice announces that he is going to end that system, and that he is not prepared to accept conditions whereby we think justice might be done, we are justified in raising our voices in protest and pointing out the difficulties of the situation. In Liverpool, irrespective of parties, we have had to house about 13,000 people. We have done so, and we have been very thankful to previous Governments who enabled us to fulfil that great obligation.

If hon. Members treat their responsibilities so lightly as to be absent from this Committee when a discussion on housing is in progress, and only attend here when high finance is being considered, that is a matter for their constituents. But I am concerned with the problem of those who have to live nine or ten in a room, who have to live in cellars and garrets under conditions described by medical officers as demoralising. As a member of the housing committee in Liverpool I am surprised at hon. Members for that city not being in their places to-night. They ought to be here, because they have been asked to support our point of view as against that of the Minister. There is an obligation on every Member of this Committee to take part in dealing with the grave subject of housing in our cities. The question of the subsidy is one of the vital factors in the depressed areas. The proposals of the Government are going to increase the rates and place tradesmen in a difficult position, and, what is more important, in the words of the Minister himself, they are not going to provide cheap houses for our people.

The Minister approaches this matter from the point of view of financial economy. He is out to protect the interests of the Treasury and that being so, liberal time ought to be given to the local authorities in order that they may face their obligations and meet the difficulties of the housing situation. After 10 years on a local council I know of no problem in which hon. Members ought to be more interested than this. We speak to the people about better homes and improved housing conditions, but when we come here to this Committee we find an Amendment which merely seeks to give the local authorities time to get through their responsibilities, thrown on one side. We find a Minister stern, autocratic, despotic, out to protect the interests of the Treasury. He asks for power to carry on; he says that he is not going to have any datum limit. He admits that a datum limit might in certain circumstances, be necessary, but he says that in exceptional circumstances he will be pleased to deal with exceptional cases. Whatever merit there may be in that kind of statement, we want more than that. We want the statement implemented in a Bill, and, when we are confronted with the kind of legislation which is before us, every Member who professes to look after the interests of the people ought to protest against it. We have 5,000 people in Liverpool waiting for homes, and there are hundreds of thousands up and down the country. Surely no Minister of Health in those conditions can find fault with one who raises this question from the point of view of unemployment and housing conditions. If there is a forum in which

[Mr. Logan.]

such a voice should be heard, surely it is the British House of Commons.

I come here not to find fault with the Minister, but to demand whether it is not possible for us to provide homes for people who want them so badly. What do we find in this Clause? We find that the Government propose to withdraw the subsidy, representing the equivalent of 4s. a week on the rent of three roomed non-parlour houses over a period of 40 years. That will not give to the poor, to the unemployed, to the destitute cheap houses in which to live. I contend that no nation can be grand or good or can avoid the spread of Communism unless it has proper housing conditions. I live in an overcrowded area, in which every street cries out for the retention of the subsidy, to enable the municipality to deal in a proper and generous manner with those who are unable to afford decent housing accommodation. I come here only to express the voice of the people who sent me here, in whose district I live. The Parliamentary Secretary visited the City of Liverpool, and he knows that the housing conditions there are terrible. Dante's "Inferno" is nothing in comparison with the miserable hovels there, which should have gone 50 or 60 years ago; and we are unable to remodel our city because of the price of land.

The Government, in taking this drastic step of depriving us of the subsidy, have practically taken the life of the people of the City, and I trust that whatever may be in the mind of the Minister, and whatever he may mean by his word "may," there will be some elasticity offered to us, at least in regard to our scheme, which is only a few weeks late in coming forward, which is *bona fide*, and which gives us on the outer area of the City an opportunity to take advantage of a subsidy, if the right hon. Gentleman can find in this Measure some method by which to enable us to complete what is essential, namely, at least 5,000 houses. I have spoken from my heart, and I trust that the Minister will believe that it is not a case of empty vapourings from this bench, but an honest and sincere desire on our part that our people shall be able to get the benefit of that word "may," which the Minister himself says gives him elasticity. I have spoken against this Clause only in order to put forward the point of view of Liverpool in the unhappy position in which that City finds itself in regard to housing.

8.38 p.m.

Mr. McENTEE: I do not apologise to those who appear to think that this is a matter that ought to be passed over very lightly and who want to get on to some other matter, which apparently they think more important. I have often been struck with the things that attract Members into this House and the things that apparently empty the House and bore Members, particularly those representing agricultural constituencies. One would imagine that if there was anything, outside the question of unemployment, that should interest Members of the House generally, and fill the House for a real, live discussion, it would be the question of the housing conditions under which the people live, but all the time that I have been here, both in this Parliament and in others, I have been struck with the fact that when housing is under discussion the House is practically empty, yet when elections are on, housing forms perhaps the main plank in the election addresses of most of those who address the voters. Apparently what interests hon. Members most——

The CHAIRMAN: Will the hon. Member come to the Clause under discussion?

Mr. McENTEE: With all humility, I submit that I am discussing the Clause, which deals with the housing conditions of the people and the taking away of the subsidy, which has been in existence for a number of years. The effect of taking away the subsidy will be to make the housing conditions almost impossible in most districts in this country. I submit that this Clause will do several things. In the first place, and perhaps the most important of all, it will definitely increase the rents of people who obtain houses under the new conditions. I think I am not far wrong when I say that the £7 10s. subsidy is worth about 2s. 1d. a week on the rent of the tenant, and that the £11 subsidy for rural housing is worth perhaps 1s. 4d. more, or, say, 3s. 6d. or 3s. 8d. a week. I cannot see that there is any alternative to this Clause meaning that, even if the houses are built in large numbers—as the Minister appears to think will be the case, though I do not agree—the houses that are now let at 12s. in urban areas will cost 14s. or 14s. 3d. under the new conditions. That will be a very serious matter for the people in my constituency and in other constituencies.

In Walthamstow we have a waiting list of something like 3,800 people, in spite of the fact that we have built 1,300 to 1,400 houses—I do not remember the exact number—and we are particularly anxious to see that those people get a reasonably good habitation. We are very dissatisfied with the housing conditions in the area, and we naturally want them improved; and, as a member of that local council and of this House, I have to ask myself, Will the new conditions that are now sought to be imposed upon us increase our opportunities of making decent homes for the people? I do not think the Minister will dispute my contention that they will not increase those opportunities, because, in the first place, they will increase rents. That is a certainty. As to the houses themselves, there is no guarantee at all that when they are built they will be let at the old rent, *plus* the value of the withdrawn subsidy, as the Minister thinks will happen. There appears to be no guarantee at all that the increase in the rent due to the withdrawal of the subsidy will stop at that, because it will be open to any of the speculative builders who may induce building societies to make loans to charge what rent they like, and as a result the opportunities of the people to live in those houses will be lessened again.

Therefore, I cannot help feeling that this is one of the worst Bills, from the point of view of the opportunities of the people to live in decent houses, that have been introduced into this House in my experience here. I cannot help feeling that the knowledge that it was coming probably played a very large part in the election result that has been announced to-day, and I cannot help feeling also—and I am not at all sorry for it—that when it becomes known that the Minister refuses to make any concessions at all, as apparently he intends to do, along the lines which we advocate, the result will be even more disastrous for the Government. I want to make the strongest possible protest, in the interests of the poor people, not only in my own constituency, but in all urban and rural areas, at the attempt which has been made by the Minister to prevent them from living in decent houses and to drive them back into miserable dirty slums.

8.46 p.m.

Mr. HICKS: I would not have risen had it not been for the speech made by the hon. and gallant Member for Accrington (Major Procter) who referred particularly to trade conditions in industry as being responsible for the lack of houses. His remarks were particularly vindictive, and I do not think that they were based on very much information. I have a sense of satisfaction, however, in that the hon. and gallant Gentleman brought an atmosphere of reality into the Debate. It seemed as if the speeches that had been made were simply being poured off in order to pass the time until the clock reached the hour when we were to go into the Lobby. The proposal in this Bill will change the whole course of housing activity from that which we have known for the past 10 or 12 years. Fundamentally it changes the whole method of approach to the problem of house building, and from my experience I seriously believe that the Government by this proposal will signally fail to produce anything like the number of houses that even they have in mind. It may be an easy thing for us at the end of 12 months to be able to say that we had told the Government that this method of approach to the problem would not materialise in the provision of houses, and we might be able to propose a Vote of Censure and get it substantially supported in the House, but what about the people who would be deprived of housing accommodation and who could have had it if there had been a right method of approach? They are clamped down in the misery of their housing conditions with little or no chance of escape.

The attempt to rely upon voluntary effort—voluntary from the point of view of the financing organisation, the builder, and the measuring of the housing requirements—will fail to make any substantial contribution to housing. I speak as one who has taken part in negotiations for housing activities. I have helped to build houses and to superintend building, and I have negotiated with responsible persons for a number of years in an attempt to get housing activity in this country. The hon. and gallant Member for Accring-

[Mr. Hicks.]

ton referred to the lines of demarcation in the industry, but he was particularly ill-informed of the general activities of the building industry to bring forward such a frivolous point as a serious contribution to the Debate. He gave instances where relatively incompetent people were called upon to do certain work, and he spoke of picture rails and skirting boards being nailed to a gaspipe. I do not know whether it was an iron gaspipe. He followed that up by saying that if it were not for the strict rules of the trade unions housing could be made cheaper. If he had applied the ordinary measures of examination, he would have found that they were incompetent persons who were executing the class of work to which he was referring. Competent tradesmen could not do anything of the kind. No responsible body in the country, either of municipal authorities or employers or anyone who knows anything about building, has any complaint to make about the effect of the general lines of demarcation on the expedition of work or the cost of work. It is absurd to attempt to argue that such a thing is responsible for stopping house production.

Owing to the Government's change of policy, I feel that the members of my own organisation are condemned to a longer period of inactivity than is necessary. Instead of having an opportunity to exercise their skill in building houses, they will still be signing on at the Employment Exchanges or going to the public assistance committees. We have increased our personnel at the request of previous Governments. We agreed to adopt ex-service men and to train them and to give them work side by side with craftsmen. We have paid very dearly for it. These men were the first to be unemployed when there was little opportunity for employment because their skill was not equal to that of the others, and we had to subsidise them out of trade union funds during unemployment. We have spent hundreds of thousands of pounds in that direction. In addition, manufacturers must feel very apprehensive about this change of policy, for in order to meet the housing needs they laid down additional plant. Many yards and factories are partially idle to-day. It seems such a pity to waste all the skill and the capacity that we have. There is no chance to apply it unless there is assisted guidance. All the technique of our builders, which is as rich as the country has ever known, is to be allowed to be picked up here and there in a haphazard sort of way. There is to be nothing organised about it. It is all to be left to chance—the chance that some municipal authority, finding that they have a waiting list of 3,000 or 4,000 people wanting houses, may call the master builders together and suggest to them that they should approach the building societies to see if they would be agreeable to advance financial assistance.

The CHAIRMAN: The speech of the hon. Member is becoming a speech on the Bill rather than on Clause 1.

Mr. HICKS: I do not wish to trespass against any ruling you may lay down, Sir Dennis, but this Clause is altering the whole principle on which we have acted in housing matters, and I wish to direct attention to this violent change, which, in my opinion, will be responsible for slowing down housing activity rather than stimulating it. I am sure the House would wish to see house building encouraged, in view of the effect which poor housing has upon the character of our people and in face of the terrible statistics we have as to people who are living in overcrowded and unhealthy conditions. I fear that the general complacency with which hon. Members appear to accept this change will be regretted in the future. The statement of the Minister that if we take away the subsidies and leave private enterprise a free and unfettered opportunity the effect will be to stimulate building enterprise is one with which we respectfully disagree.

The change we are introducing will not increase the number of houses to anything like the extent which is necessary. In present economic conditions, with the poverty which prevails among our people, there will be no sufficient guarantee to master builders that they will find people able to rent or purchase houses and that will be no stimulus to them to build. The Government have taken the wrong approach to this problem. We are sorry, also, that the Minister has not agreed to extend the period during which schemes may be submitted and sanctioned. If he had agreed to the longer period it would have given him a better opportunity to secure from agencies such as building societies some guarantee, some public statement, something more than a mere gesture—secure a definite assurance that they were prepared to build houses. We cannot say whether ten houses will be built by the building societies, or 10,000.

The CHAIRMAN: I must again call the hon. Member's attention to the Motion before the House. He is definitely wandering on to Clause 2.

Mr. HICKS: I will reserve my observations on Clause 2 to a later period. I hope the Committee will agree that the taking away of the subsidy from house building is not a step in the direction of providing houses, but is a retrograde step.

8.59 p.m.

The PARLIAMENTARY SECRETARY to the MINISTRY of HEALTH (Mr. Shakespeare): I do not think I need detain the Committee for more than two minutes, because we have had a very full discussion on the Clause, but one or two points have just arisen with which I would like to deal briefly. I agree with the hon. Member for East Woolwich (Mr. Hicks) that it is a great pity to interpose the question of demarcation. After all the problem is big enough in itself. We are hoping to secure good will, and if we start flinging taunts at building operatives we shall never solve this problem. The question is, "Shall we or shall we not get more building activity by this change of policy, by the withdrawal of subsidies under the Act of 1923 and the Act of 1924?" The hon. Member said he regretted the complacency shown by the House. As far as I am concerned I am not complacent, but I am infinitely delighted at this change of policy, because it meets the point made by the hon. Member for Broxtowe (Mr. Cocks) and the hon. Member for the Scotland Division of Liverpool (Mr. Logan)—whose constituency I knew too well for one day. In my humble judgment, and I am not saying this without a good deal of thought, the only hope of clearing out some of those hovels lies in the policy on which we have embarked, because as long as we have the 1924 Act subsidy continuing local authorities will go on building lovely housing estates, although not a fraction of 1 per cent. of slum dwellers will ever get into the houses. That is my strong conviction. These lovely new houses nearly always go to the aristocracy of the working class.

We propose to reverse that policy and concentrate on the 1930 Act subsidy, which is payable only in respect of persons displaced from the slums. No displacement, no subsidy. Local authorities will have an unrivalled opportunity in the next few years of using the Act and concentrating on slum clearance as they have never done before. I hope hon. Members will observe what is happening —I think it is happening in Liverpool. The local authorities are already concentrating to a quite remarkable degree on this Act. There have been more houses "declared" in the last fortnight than for a long time past. I would like to congratulate the Corporation of Liverpool on the way it is solving the question of re-housing on the spot. It is solely due to the fact that we have announced the removal of the subsidy under the Act of 1924 and left the local authorities free to get on with this tremendous and baffling question of slum clearance. That is all I need say. My right hon. Friend dealt fully with the justification for the Government's policy in agricultural areas. I just wanted to add that one word on slum clearance.

Mr. LOGAN: Is there no gleam of hope with regard to the date? What about any concession? It is all right for the Minister to say, "Oh, oh," but we want to know. We are not concerned with the Minister's "Oh, oh."

Mr. SHAKESPEARE: I have dealt very fairly, and I think very fully, with that point, and I feel that we have the general assent of the Committee for our policy. There has been a full discussion and I hope the Committee will now let us have the Clause.

Question put, "That the Clause, as amended, stand part of the Bill."

The Committee divided: Ayes, 219; Noes, 48.

Division No. 56.] AYES. [9.4 p.m.

Acland-Troyte, Lieut.-Colonel
Agnew, Lieut.-Com. P. G.
Anstruther-Gray, W. J.
Balfour, Capt. Harold (I. of Thanet)
Balniel, Lord
Barclay-Harvey, C. M.
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Benn, Sir Arthur Shirley
Birchall, Major Sir John Dearman

Bird, Ernest Roy (Yorks., Skipton)
Blindell, James
Borodale, Viscount
Bossom, A. C.
Boulton, W. W.
Bower, Lieut.-Com. Robert Tatton
Bowyer, Capt. Sir George E. W.
Boyd-Carpenter, Sir Archibald
Braithwaite, J. G. (Hillsborough)
Broadbent, Colonel John
Brown, Brig.-Gen. H. C. (Berks., Newb'y)
Browne, Captain A. C.
Burghley, Lord
Burgin, Dr. Edward Leslie
Burnett, John George
Campbell, Edward Taswell (Bromley)
Campbell, Vice-Admiral G. (Burnley)
Caporn, Arthur Cecil
Carver, Major William H.
Cassels, James Dale
Castlereagh, Viscount
Cayzer, Maj. Sir H. R. (Prtsmth., S.)
Cazalet, Thelma (Islington, E.)
Chapman, Col. R. (Houghton-le-Spring)
Chapman, Sir Samuel (Edinburgh, S.)
Chorlton, Alan Ernest Leofric
Christie, James Archibald
Clarry, Reginald George
Colfox, Major William Philip
Conant, R. J. E.
Cook, Thomas A.
Cooke, Douglas
Craven-Ellis, William
Crookshank, Capt. H. C. (Gainsb'ro)
Croom-Johnson, R. P.
Cross, R. H.
Crossley, A. C.
Culverwell, Cyril Tom
Dalkeith, Earl of
Denman, Hon. R. D.
Denville, Alfred
Dickie, John P.
Donner, P. W.
Drewe, Cedric
Duckworth, George A. V.
Duncan, James A. L. (Kensington, N.)
Ellis, Sir R. Geoffrey
Elmley, Viscount
Emmott, Charles E. G. C.
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Everard, W. Lindsay
Fielden, Edward Brocklehurst
Ford, Sir Patrick J.
Forestier-Walker, Sir Leolin
Fox, Sir Gifford
Fremantle, Sir Francis
Glossop, C. W. H.
Gluckstein, Louis Halle
Goff, Sir Park
Goldie, Noel B.
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Grattan-Doyle, Sir Nicholas
Greene, William P. C.
Grimston, R. V.
Guinness, Thomas L. E. B.
Gunston, Captain D. W.
Guy, J. C. Morrison
Hacking, Rt. Hon. Douglas H.
Hanbury, Cecil
Hannon, Patrick Joseph Henry
Hartland, George A.
Heilgers, Captain F. F. A.
Herbert, Capt. S. (Abbey Division)
Hills, Major Rt. Hon. John Waller
Hornby, Frank
Horne, Rt. Hon. Sir Robert S.
Horobin, Ian M.
Horsbrugh, Florence
Hudson, Capt. A. U. M. (Hackney, N.)
Hume, Sir George Hopwood
Jackson, J. C. (Heywood & Radcliffe)
James, Wing-Com. A. W. H.
Jones, Sir G. W. H. (Stoke New'gton)
Ker, J. Campbell
Kerr, Hamilton W.
Lamb, Sir Joseph Quinton
Law, Sir Alfred
Law, Richard K. (Hull, S.W.)
Leckie, J. A.
Leech, Dr. J. W.
Lees-Jones, John
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Levy, Thomas
Lewis, Oswald
Liddall, Walter S.
Lindsay, Noel Ker
Llewellin, Major John J.
Lockwood, John C. (Hackney, C.)
Loder, Captain J. de Vere
McCorquodale, M. S.
McEwen, Captain J. H. F.
McKie, John Hamilton
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Macmillan, Maurice Harold
Magnay, Thomas
Maitland, Adam
Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. R.
Martin, Thomas B.
Mayhew, Lieut.-Colonel John
Meller, Richard James
Mills, Major J. D. (New Forest)
Milne, Charles
Mitcheson, G. G.
Molson, A. Hugh Elsdale
Morrison, William Shepherd
Moss, Captain H. J.
Muirhead, Major A. J.
Nall, Sir Joseph
Nation, Brigadier-General J. J. H.
Nicholson, Godfrey (Morpeth)
North, Captain Edward T.
Nunn, William
Oman, Sir Charles William C.
Palmer, Francis Noel
Patrick, Colin M.
Pearson, William G.
Peat, Charles U.
Percy, Lord Eustace
Perkins, Walter R. D.
Petherick, M.
Peto, Geoffrey K. (W'verh'pt'n, Bilston)
Pickford, Hon. Mary Ada
Potter, John
Powell, Lieut.-Col. Evelyn G. H.
Procter, Major Henry Adam
Pybus, Percy John
Raikes, Henry V. A. M.
Ramsay, Capt. A. H. M. (Midlothian)
Ramsay, T. B. W. (Western Isles)
Ramsden, Sir Eugene
Rankin, Robert
Ratcliffe, Arthur
Ray, Sir William
Reid, William Allan (Derby)
Renwick, Major Gustav A.
Roberts, Sir Samuel (Ecclesall)
Robinson, John Roland
Ropner, Colonel L.
Runge, Norah Cecil
Russell, Albert (Kirkcaldy)
Rutherford, Sir John Hugo (Liverp'l)
Rutherford, John (Edmonton)
Salt, Edward W.
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Sanderson, Sir Frank Barnard
Savery, Samuel Servington
Scone, Lord
Selley, Harry R.
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Shaw, Captain William T. (Forfar)
Shepperson, Sir Ernest W.
Slater, John
Smith, Sir Jonah W. (Barrow-in-F.)
Smith, Louis W. (Sheffield, Hallam)
Smith, R. W. (Ab'rd'n & Kinc'dine, C.)
Smith-Carington, Neville W.
Somervell, Donald Bradley
Somerville, Annesley A. (Windsor)
Somerville, D. G. (Willesden, East)
Soper, Richard
Southby, Commander Archibald R. J.
Stanley, Lord (Lancaster, Fylde)
Steel-Maitland, Rt. Hon. Sir Arthur
Stewart, J. H. (Fife, E.)
Storey, Samuel
Stourton, Hon. John J.
Strauss, Edward A.
Strickland, Captain W. F.
Sueter, Rear-Admiral Murray F.
Sutcliffe, Harold
Templeton, William P.
Thomson, Sir Frederick Charles
Titchfield, Major the Marquess of
Todd, Capt. A. J. K. (B'wick-on-T.)
Turton, Robert Hugh
Wallace, John (Dunfermline)
Ward, Lt.-Col. Sir A. L. (Hull)
Ward, Irene Mary Bewick (Wallsend)
Ward, Sarah Adelaide (Cannock)
Wardlaw-Milne, Sir John S.
Warrender, Sir Victor A. G.
Wedderburn, Henry James Scrymgeour-
Wells, Sydney Richard
Weymouth, Viscount
Whiteside, Borras Noel H.
Williams, Charles (Devon, Torquay)
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Wilson, Clyde T. (West Toxteth)
Windsor-Clive, Lieut.-Colonel George
Winterton, Rt. Hon. Earl
Withers, Sir John James
Womersley, Walter James
Young, Rt. Hon. Sir Hilton (S'v'noaks)

TELLERS FOR THE AYES.—Major George Davies and Dr. Morris-Jones.

NOES.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Batey, Joseph
Bevan, Aneurin (Ebbw Vale)
Brown, C. W. E. (Notts., Mansfield)
Buchanan, George
Cape, Thomas
Cocks, Frederick Seymour
Cove, William G.
Cripps, Sir Stafford
Curry, A. C.
Daggar, George
Davies, Rhys John (Westhoughton)
Edwards, Charles
Evans, David Owen (Cardigan)
Evans, R. T. (Carmarthen)
Greenwood, Rt. Hon. Arthur
Grenfell, David Rees (Glamorgan)
Griffith, F. Kingsley (Middlesbro', W.)
Griffiths, T. (Monmouth, Pontypool)
Hall, F. (York, W.R., Normanton)
Harris, Sir Percy
Hicks, Ernest George
Janner, Barnett
Jones, Henry Haydn (Merioneth)
Jones, Morgan (Caerphilly)
Kirkwood, David
Lawson, John James
Logan, David Gilbert
McEntee, Valentine L.
McGovern, John
Maclean, Neil (Glasgow, Govan)

Mallalieu, Edward Lancelot
Maxton, James
Milner, Major James
Nathan, Major H. L.
Owen, Major Goronwy
Parkinson, John Allen
Price, Gabriel
Rathbone, Eleanor
Salter, Dr. Alfred
Thorne, William James
Tinker, John Joseph
Wallhead, Richard C.
White, Henry Graham
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE NOES.—Mr. D. Graham and Mr. G. Macdonald.

CLAUSE 2.—(*Power of Minister to reimburse part of losses sustained under guarantees to building and other societies.*)

9.12 p.m.

Sir P. HARRIS: I beg to move, in page 2, line 8, after the word "houses," to insert the words:

"of not less than six hundred and twenty and not more than nine hundred and fifty superficial feet, and."

My inspiration for this Amendment is the Act of 1923, which was fathered by the present Chancellor of the Exchequer when he was Minister of Health. I am always glad to pay tribute to the right hon. Gentleman for his great work for housing as Lord Mayor of Birmingham and as Minister of Health. I always felt that he did his great work when he was Minister of Health. Although in this, that or the other way one may find fault with certain details, he nevertheless did a great constructive work. He had had intimate knowledge of housing needs and of the necessities of the great towns, during his experience in local administration, and he was assisted by the good advice of his Department and of the housing experts. I was on the Committee at the time with him when the 1923 Bill was upstairs, and when he devised his formula.

I suggest to the Committee—and most hon. Members will, I think, agree with me—that, if it is necessary to put figures into a Bill when you are dealing with the local authorities, it is even more necessary to do so when you are dealing with private enterprise which is to get public assistance, in however small an amount. The partnership of the State with the building societies and the private builder is to be small, but the very fact that public money is to be involved should make it necessary on the one hand to see that public money does not go to too large a house occupied by people quite above the poverty line, and, on the other hand, that it does not go to too small a house. The fault of many of the poorer districts of our great towns is that the houses are mean, badly planned and designed, and quite unsuitable for their purpose, and, therefore, I have proposed this formula.

I know that the right hon. Gentleman is going to give sympathetic consideration to another Amendment later on the Paper, but I think it would be more satisfactory to everyone concerned—and there are three, indeed four, partners in this matter—to have the figures specified in the Bill. In the first place, there is the State; secondly, there are the local authorities; thirdly, there are the building societies; and, fourthly, there is the builder. It would be just as well to know what kind of house is going to be sympathetically considered by the Department when schemes come before it for approval, and it is just as well to give a clear lead. I suggest that the matter would be solved once for all if we put the figures, as in the Act of 1923, in this new Act of 1933.

Mr. JANNER: I desire to support the Amendment which has been so ably moved by my hon. Friend. I do not think that there is very much to be added to what he has already said.

9.17 p.m.

Sir H. YOUNG: As the hon. Member for South-West Bethnal Green (Sir P. Harris) has rightly stated, there are certain other Amendments later on the Paper which cover something of the same ground, and on which we shall be able to meet the point of view which I think is also represented in this Amendment. If I ask the hon. Member not to press his Amendment, it is for the following reasons, which I think are adequate. In the first place, I think it is wrong, if we desire to promote activity, to impose any unnecessary regulations. Are the particular restrictions which the hon. Member would impose unnecessary? I think I can satisfy him that they are. In the first place, as regards the upper limit of 950 square feet, that is certainly far in advance of anything that is necessary for the provision of the sort of house that we want to provide—the small house let at a reasonable rent to the lower paid wage earner; and, that being so, it is not the type of house for which we want

[Sir H. Young.]

this scheme to be used. It would be wrong to specify this upper limit in the Bill. Its inclusion would only give rise to unfounded anticipations of assistance for the provision of middle-class houses, which is not what these guarantees are intended for; they are intended for the provision of working-class houses.

As to the lower limit the answer is that it is unnecessary to provide a lower limit in this Clause because it is already provided in our legislation in a satisfactory and reasonable way. The point is already covered by Section 92 (2) of the Act of 1925, which provides, in the case of a two-storey house, a lower limit of 620 square feet, or, if the Minister is satisfied that the special circumstances of the area justify houses of smaller dimensions, of 570 square feet. That applies to every house which can be assisted by a local authority either by advance or by guarantee. Therefore, the main purpose of the Amendment is already secured in our legislation, and it would only produce confusion to introduce the repetition proposed. In these circumstances, I trust that the hon. Member will not find it necessary to press the Amendment.

9.22 p.m.

Mr. McENTEE: The Minister's speech was very interesting, but, to me at any rate, not at all satisfying, because the policy appears to be to stereotype the house at the lower level. I notice that the Minister said, in reference to what he calls the higher and the lower limits, that the higher limit is something to be discouraged, because, he says, such houses would be in the main occupied by middle-class people. I do not agree at all. The higher limit represents the level of building by local authorities for many years past in the case of what we call the parlour type of house. In effect, the Minister's policy is to encourage the building of as small houses as possible. Apparently, the highest standard that can be obtained in his judgment will be houses of a superficial area of 620 feet, and, in certain districts, 570 feet. I do not want to see that type of house encouraged as against a better class of house. I think the Minister would agree that the demand for houses by what may be called, if you like, the better paid artisan class, is not by any means satisfied, and is not likely to be satisfied for many years. I think it could be successfully argued that the demand for houses by that class of people at the present time is just as great as it was four or five or six or seven years ago, and practically no inroad has been made in meeting that demand, which is almost, if not quite, as great as it was some years ago. This appears to me to be a definite attempt to lower the standard of houses to the smallest possible space in which a human being can be expected to live, and I hope that the hon. Member for South West Bethnal Green (Sir P. Harris) will not agree to withdraw his Amendment, in view of the very serious statement that has been made by the Minister.

We are going to hand over all our housing to the building societies and speculative builders to make as much profit as they can out of the housing needs of the people. The Minister told us on a previous occasion that he does not believe that the building societies will be able to cater for the very poorest class of workers. If that be so, and I believe it to be very largely true, it appears obvious that that class of workman who is now getting a better class of house—the parlour type of house, as we have become used to calling it—is to be driven down to what we used to consider the lower standard or non-parlour type of house not exceeding about 620 superficial feet. That is a standard which I hope the House of Commons will not permit the Minister or anyone else to reimpose on the people of this country as a maximum. I shall oppose it as vigorously as I can both here and everywhere else. The figure of 620 superficial feet represents a reduction on the previous low standard, and we are now told that that is to become the highest standard that will be permitted. I hope that the House of Commons will not assent to that suggestion. I wish I could hope that the House, which talks to its people about its desire, as individuals, to raise the general standard of housing, will not submit to this general lowering of the standard to a figure which does not represent decent living accommodation, at any rate for a large family.

9.25 p.m.

Lord E. PERCY: I wonder if I can save the Committee from what I believe would be an absolutely unreasonable and meaningless Division. The position is that, so far as the lower limit of 620 square feet is concerned, that is already in the Bill. The Bill refers to Section 92 of the Act of 1925, which says that no house to which it applies shall be less than 620 feet. Therefore, this Amendment introduces nothing new into the Bill.

Mr. McENTEE: Does it not introduce into the Bill that that shall be practically the standardised size? The Minister said the larger 950 feet type would not be built.

Lord E. PERCY: No, not at all. If the Bill stands as it is, no one may, under the Act, build a house of less than 620 feet superficial area.

Mr. LAWSON: Except at the discretion of the Minister.

Lord E. PERCY: I think not. If hon. Members will look at the provisions of Section 92 they will see that 620 superficial feet, in the case of a two-storied house, is the minimum, and then there comes in the case of the structually separate and self-contained flat or one-storey house of 570 superficial feet. That is being calculated in accordance with the rules by the Minister, provided, if an authority or council in any particular case satisfies the Minister, and so on, he may determine in the case of a two-storied house to reduce it to 570 feet. That has been the position up to now. All you will really be doing if you pass this Amendment is to say that the houses shall not be larger than 950 superficial feet. You will be going into the Lobby in order to support a limitation on the size of the houses local authorities may build under this Bill, and you will be saying that they shall not be larger than a certain superficial area. That is a proposition which no one wants to go into the Lobby to support.

9.27 p.m.

Mr. LAWSON: I hope the hon. Gentleman who has moved this Amendment will not accept the position laid down by the right hon. Gentleman. I think the right hon. Gentleman himself made an unanswerable case when he pointed out that his own suggestion was based on the minimum laid down by the present Chancellor of the Exchequer when Minister of Health.

Lord E. PERCY: It is in the Bill already.

Mr. LAWSON: The Noble Lord must not think that we are taken in by that kind of chaff. As a matter of fact, he has already admitted himself that it is possible, at the Minister's discretion, to cut the size down to 570 superficial feet in the case of a one-storied house.

Lord E. PERCY: When the hon. Gentleman says he is not going to be taken in by that kind of chaff, that seems to me rather an insulting remark. I was quoting from the Act to which he refers.

Mr. LAWSON: I did not mean to be at all discourteous to the Noble Lord. The point I was making was that the Minister, at his discretion, may make the one-storied house 570 feet and the two-storied house in certain cases. I remember very well some years ago my hon. Friend the Member for Spennymoor (Mr. Batey) and other Members, asked for a subsidy for the homes of aged people in the North of England. It was all we could do to persuade the Minister of Health to give us a subsidy for houses round about 600 superficial feet. Now we have come to the stage when you have the possibility of having houses of 570 superficial feet. I take it that is about the size of the house laid down now for the aged people, so we have got now for a family a possible minimum that my hon. Friend laid down in his Bill for two aged people. I do not expect that Liberals are going to agree to a proposal of this kind. A house of 620 superficial feet is low enough as a minimum. As the hon. Member for South-West Bethnal Green (Sir P. Harris) has said, 620 superficial feet is in the Bill, and I take it he thinks that is the desirable minimum, but there is considerable doubt in the minds of hon. Members, as in the mind of the hon. Gentleman who moved the Amendment. I take it that the Committee will agree that any doubt should be removed and that 620 feet is certainly a low enough minimum for working-class people or anyone else, with a family, to live in. Let us get into our minds what 620 superficial feet means. The figure has been pushed down stage by stage until we have got to the position that though we had to ask the Minister of Health to give us subsidies for our aged

[Mr. Lawson.]

miners' homes with a minimum space which was too small for our old people, yet that is practically the minimum space laid down in this Bill. I hope the hon. Member who moved the Amendment will stick to his guns, and refuse to compromise on the matter.

9.32 p.m.

Mr. C. BROWN: We are practically abandoning altogether, except in one or two special instances, our social responsibility in regard to the housing of the working classes by State and municipalities and turning the matter over to private enterprise. I entirely agree with the hon. Member for South-West Bethnal Green (Sir P. Harris) that we should do everything we can to keep private enterprise up to the scratch. I cannot square the argument of the Minister with the argument of the Noble Lord the Member for Hastings (Sir E. Percy). The Minister suggests that he does not want to accept this Amendment because it would be imposing what he calls unnneccessary restrictions in this Bill. He prefers to leave the matter hazy, indefinite and indecisive, and he does not wish to put in any unnecessary restrictions. The Noble Lord tells us that as far as the lower limit is concerned, this is already secured by the provisions of the Bill, but the Minister, in the course of his remarks, said it was not at all likely that the houses which private enterprise would provide would be anything approximating to 950 superficial feet.

Sir H. YOUNG: Not quite that, but it is not the intention to make use of the guarantee for the provision of houses as big as that. Private enterprise may very likely provide those houses. I hope it will, but these are not the houses we desire to promote for social purposes, and for which the guarantee would be given.

Mr. BROWN: That does not seem to be any argument why the Minister should refuse to insert these figures in the Bill. The argument about unnecessary restrictions falls to the ground on the arguments that the Noble Lord the Member for Hastings has put before the Committee. Let us have something satisfactory, decisive, clear and definite. Why cannot the right hon. Gentleman accept this Amendment? It will not overload the Bill with any unnecessary restrictions. I feel that the hon. Baronet ought to stick to his guns and press the Amendment to a Division.

Question put, "That those words be there inserted."

The Committee divided: Ayes, 44; Noes, 198.

Division No. 57.] AYES. [9.35 p.m.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Batey, Joseph
Bevan, Aneurin (Ebbw Vale)
Brown, C. W. E. (Notts., Mansfield)
Buchanan, George
Cape, Thomas
Cove, William G.
Cripps, Sir Stafford
Curry, A. C.
Daggar, George
Edwards, Charles
Evans, David Owen (Cardigan)
Evans, R. T. (Carmarthen)
Greenwood, Rt. Hon. Arthur
Grenfell, David Rees (Glamorgan)
Griffith, F. Kingsley (Middlesbro', W).
Griffiths, T. (Monmouth, Pontypool)
Hall, F. (York, W.R., Normanton)
Harris, Sir Percy
Hicks, Ernest George
Janner, Barnett
Jones, Henry Haydn (Merioneth)
Jones, Morgan (Caerphilly)
Kirkwood, David
Lawson, John James
Logan, David Gilbert
Lunn, William
McEntee, Valentine L.
McGovern, John
Maclean, Neil (Glasgow, Govan)
Maxton, James
Milner, Major James
Nathan, Major H. L.
Owen, Major Goronwy
Parkinson, John Allen
Price, Gabriel
Salter, Dr. Alfred
Thorne, William James
Tinker, John Joseph
White, Henry Graham
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE AYES.—Mr. G. Macdonald and Mr. D. Graham.

NOES.

Acland-Troyte, Lieut.-Colonel
Agnew, Lieut.-Com. P. G.
Albery, Irving James
Allen, William (Stoke-on-Trent)
Anstruther-Gray, W. J.
Applin. Lieut.-Col. Reginald V. K.
Aske, Sir Robert William
Balfour, Capt. Harold (I. of Thanet)
Balniel, Lord
Barclay-Harvey, C. M.
Beaumont, M. W. (Bucks., Aylesbury)
Benn, Sir Arthur Shirley
Birchall, Major Sir John Dearman
Bird, Ernest Roy (Yorks., Skipton)
Blindell, James
Borodale, Viscount
Bossom, A. C.
Bowyer, Capt. Sir George E. W.
Boyd-Carpenter, Sir Archibald
Braithwaite, J. G. (Hillsborough)
Broadbent, Colonel John
Brown, Brig.-Gen. H.C. (Berks., Newb'y)
Browne, Captain A. C.
Buchan-Hepburn, P. G. T.
Burghley, Lord
Burgin, Dr. Edward Leslie
Burnett, John George
Campbell, Edward Taswell (Bromley)
Campbell, Rear-Admiral G. (Burnley)
Carver, Major William H.
Cassels, James Dale
Cayzer, Maj. Sir H. R. (Prtsmth., S.)
Cazalet, Thelma (Islington, E.)
Chorlton, Alan Ernest Leofric
Christie, James Archibald
Clarry, Reginald George

Cochrane, Commander Hon. A. D.
Colfox, Major William Philip
Cook, Thomas A.
Cooke, Douglas
Craven-Ellis, William
Crookshank, Capt. H. C. (Gainsb'ro)
Croom-Johnson, R. P.
Culverwell, Cyril Tom
Dalkeith, Earl of
Davies, Maj. Geo. F.(Somerset, Yeovil)
Denman, Hon. R. D.
Denville, Alfred
Dickie, John P.
Donner, P. W.
Drewe, Cedric
Duckworth, George A. V.
Duncan, James A. L. (Kensington, N.)
Ellis, Sir R. Geoffrey
Elmley, Viscount
Emmott, Charles E. G. C.
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Everard, W. Lindsay
Fielden, Edward Brocklehurst
Ford, Sir Patrick J.
Fox, Sir Gifford
Fremantle, Sir Francis
Ganzoni, Sir John
Gluckstein, Louis Halle
Goldie, Noel B.
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Grattan-Doyle, Sir Nicholas
Greene, William P. C.
Guinness, Thomas L. E. B.
Gunston, Captain D. W.
Guy, J. C. Morrison
Hacking, Rt. Hon. Douglas H.
Hanbury, Cecil
Hannon, Patrick Joseph Henry
Hartland, George A.
Harvey, George (Lambeth,Kenn'gt'n)
Heneage, Lieut.-Colonel Arthur P.
Herbert, Capt. S. (Abbey Division)
Holdsworth, Herbert
Hornby, Frank
Horobin, Ian M.
Hudson, Capt. A. U. M.(Hackney,N.)
Hume, Sir George Hopwood
Jackson, Sir Henry (Wandsworth, C.)
Jackson, J. C. (Heywood & Radcliffe)
Johnston, J. W. (Clackmannan)
Jones, Sir G. W. H. (Stoke New'gton)
Ker, J. Campbell
Kerr, Hamilton W.
Lamb, Sir Joseph Quinton
Law, Sir Alfred
Leckie, J. A.
Leech, Dr. J. W.
Lees-Jones, John
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Levy, Thomas
Lewis, Oswald
Liddall, Walter S.
Lindsay, Noel Ker
Llewellin, Major John J.
Loder, Captain J. de Vere
McCorquodale, M. S.
McKie, John Hamilton
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Macmillan, Maurice Harold
Magnay, Thomas
Maitland, Adam
Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. R.
Mayhew, Lieut.-Colonel John
Meller, Richard James
Mills, Major J. D. (New Forest)
Milne, Charles
Mitcheson, G. G.
Molson, A. Hugh Elsdale
Morris-Jones, Dr. J. H. (Denbigh)
Morrison, William Shephard
Moss, Captain H. J.
Muirhead, Major A. J.
Nall, Sir Joseph
Nation, Brigadier-General J. J. H.
North, Captain Edward T.
Nunn, William
Oman, Sir Charles William C.
Palmer, Francis Noel
Pearson, William G.
Percy, Lord Eustace
Perkins, Walter R. D.
Petherick, M.
Peto, Geoffrey K.(W'verh'pt'n, Bilst'n)
Pickford, Hon. Mary Ada
Potter, John
Powell, Lieut.-Col. Evelyn G. H.
Procter, Major Henry Adam
Raikes, Henry V. A. M.
Ramsay, T. B. W. (Western Isles)
Ramsden, Sir Eugene
Rankin, Robert
Ratcliffe, Arthur
Rathbone, Eleanor
Ray, Sir William
Reid, James S. C. (Stirling)
Reid, William Allan (Derby)
Renwick, Major Gustav A.
Roberts, Sir Samuel (Ecclesall)
Robinson, John Roland
Ropner, Colonel L.
Rosbotham, Sir Samuel
Runge, Norah Cecil
Russell, Albert (Kirkcaldy)
Russell, Alexander West (Tynemouth)
Rutherford, Sir John Hugo (Liverp'l)
Salt, Edward W.
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Sanderson, Sir Frank Barnard
Savery, Samuel Servington
Scone, Lord
Selley, Harry R.
Shakespeare, Geoffrey H.
Shaw, Captain William T. (Forfar)
Shepperson, Sir Ernest W.
Slater, John
Smith, Sir Jonah W. (Barrow-in-F.)
Smith, Louis W. (Sheffield, Hallam)
Smith, R. W. (Ab'rd'n & Kinc'dine,C.)
Somervell, Donald Bradley
Somerville, Annesley A (Windsor)
Somerville, D. G. (Willesden, East)
Stanley, Lord (Lancaster, Fylde)
Steel-Maitland, Rt. Hon. Sir Arthur
Storey, Samuel
Strauss, Edward A.
Strickland, Captain W. F.
Sueter, Rear-Admiral Murray F.
Templeton, William P.
Thomson, Sir Frederick Charles
Titchfield, Major the Marquess of
Turton, Robert Hugh
Vaughan-Morgan, Sir Kenyon
Wallace, John (Dunfermline)
Ward, Lt.-Col. Sir A. L. (Hull)
Wardlaw-Milne, Sir John S.
Warrender, Sir Victor A. G.
Wedderburn, Henry James Scrymgeour-
Wells, Sydney Richard
Weymouth, Viscount
Whiteside, Borras Noel H.
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Wilson, Clyde T. (West Toxteth)
Windsor-Clive, Lieut.-Colonel George
Winterton, Rt. Hon. Earl
Wise, Alfred R.
Young, Rt. Hon. Sir Hilton (S'v'noaks)

TELLERS FOR THE NOES.—Mr. Womersley and Commander Southby.

9.44 p.m.

Sir P. HARRIS: I beg to move, in page 2, line 9, after the word "classes," to insert the words "at reasonable rents."

I appreciate the real difficulty of making these words operative, but we are embarking on a great new experiment, and we are going to come in as partners with builders and building societies to provide houses for what are generally described as people of the working-classes. I have taken considerable trouble to inquire how this machinery is going to operate. The private builder, as I understand it, will see a particular site in Kensington or in one of the provincial towns, half an acre or an acre of land, and will decide to build houses of the character which we described in the discussion on another Amendment—houses of 620 or more feet. If the demand of middle-class people, clerks in banks and various sections of the community, is such that the supply is short, there is nothing to prevent those houses being let at £2 or even more. Take the Borough of Kensington, where there is real house planning. You cannot get housing accommodation for love or money. There is nothing to prevent a builder in Kensington from getting public assistance from the State in the form of a guarantee, and then letting his houses to the highest bidders, and the people for whom it was intended that the houses should be constructed would find the rents charged would be such that they would be unable to pay them.

[Sir P. Harris.]

Therefore, it is reasonable to put into the Bill some words of the character suggested, and I believe that the words "at reasonable rents"—and I have taken legal advice from my hon. Friend the Member for Whitechapel (Mr. Janner)—are the best words which can be devised for the purpose. If my hon. and learned Friend the Member for East Bristol (Sir S. Cripps) has better words, or if the Minister of Health is able to suggest something even beter, I shall be satisfied to substitute such words. If this Bill is really going to touch the fringe of the question, and if the machinery is to act as we require it to act, something of this kind of necessary.

I have been told by some people who have made an intensive study of the operations of the private builder that the ordinary builder, the builder of working-class houses, is not worthy of respect, and is sometimes called a jerry builder. But I would point out that he has not finance on a large scale to enable him to build houses to let. He has always been accustomed to build houses to sell. He is not in the financial position to embark upon the building of houses on a large scale to let unless he is able to get a very considerable return on his capital. He is generally a man of comparatively small means, and is accustomed to make his living by turning over his capital immediately. He builds half a dozen houses and sells them, and then proceeds to build more houses. In that way he gets a large return for his money and is able to keep his organisation constantly occupied. If he is going to operate in regard to this new kind of demand, the building of houses to let, something of this character will prevent him from profiteering. If we are to prevent exploitation with the aid of public money and the guarantee of local authorities and the Treasury, some such words as I suggest should be inserted. Perhaps if the right hon. Gentleman cannot accept these words, at any rate, he will make clear to the Committee how he is going to operate the Clause and see to it that the houses really do go to the working classes.

9.49 p.m.

Sir H. YOUNG: I quite understand the motive of the hon. Member in moving the Amendment, and I have given it most careful consideration to see whether it is desirable, but I fear that the answer must be, that it is not really necessary, and further, that it is quite unworkable. The hon. Member properly asks me the process by which control will be exercised in order to see that the guarantee is not given in respect of houses to let at rents which make them of no use to the working classes. That, of course, will be the function of the local authority and of the Minister at the time at which the scheme is put up for the guarantee. They will then consider all the circumstances of the scheme, the type of houses to be built, the price of the houses, and the economic rent at which they can be let when completed. If they consider that all these things indicate that the rent of the house which is proposed under the scheme and the price which it will cost, are such as to provide a house which can be let at a reasonable rent to the working class, then the guarantee will be given. But if, at the critical period when the scheme is adjudged, the local authority and the Minister are not satisfied that the type of house is one to be let at a reasonable rent to the working class, the guarantee will not be given.

That is the process, as I envisage it, which gives the answer to the question of the hon. Member as to how the control will be exercised to secure houses being let at a reasonable rent. That being so, really all that the Amendment says is that the Minister will exercise his discretion and act reasonably. I suppose it is still the assumption of our legislation that the Ministers act reasonably on the whole, and to give protection to the Minister to act reasonably, without a definition of what reasonably might be, is not of very great utility. That is not the real objection to this Amendment. It goes a good deal deeper. If those words were to be inserted they would impose an obligation upon the Minister to control the rent that is impossible of execution. I am not arguing whether it is desirable or not, but stating the simple fact that it is impossible of execution. There is no unity, as it were, between the local authority and the Minister and this House. There is no connection by which they can review the rent. The only way in which this could be done would be by the establishment of a new office and staff, the cost of which would be considerable. Since it is not in the essence of the scheme that there should be such control, this enormous expenditure should not be contemplated. The short reply is that the control which the hon. Member desires to see is effectively exercised when the Minister approves the scheme.

9.54 p.m.

Mr. C. BROWN: Most of us on these benches, I think, will be very disappointed with the speech we have just heard from the Minister. As I understand the position, the next Amendment on the Paper will not be called. We have had very little definiteness about standards of housing and that kind of thing, and now, apparently, the question of rent is to be entirely uncontrolled. All the houses which will be built by private enterprise under the Bill will be outside the control of the Rent Restrictions Act. There will be no control with regard to the rents which can be charged, and here obviously is a field in which, in certain circumstances not difficult to visualise, there can be any amount of exploitation of the working class in areas where housing needs are pressing. It is most deplorable indeed that even the moderate words proposed to be inserted by the hon. Baronet the Member for South-West Bethnal Green (Sir P. Harris) are not to be inserted. The Minister is apparently going to leave this matter to the free play of competition which he so greatly admires. He is going to leave the working classes more or less to their fate in regard to what may or may not happen in regard to the play of free competition. We on these benches feel that some provision, whereby the Minister would have some control over rents, ought to be inserted in the Bill. Consequently, we shall support the Amendment of the hon. Baronet.

9.55 p.m.

Miss RATHBONE: I share the disappointment of the last speaker at the Minister's reply. The point is one on which many of us feel very anxious. The right hon. Gentleman's reply, if I understood it correctly, amounts to this, that the control which we want to see exercised will be exercised by himself in conjunction with the local authority at the time when they give the guarantee to the building societies. Before the question goes to the Vote, I hope that the right hon. Gentleman will tell us what control there will be to see that the guarantee is carried out. He argued that he could not accept the Amendment, because there was no machinery to supervise the rents, or what happened to the houses after they had been put up. Suppose a building society states, quite honestly, that it is its intention to put up houses to be let to the working classes, and that five years or so after the houses are put up the building society finds that letting is a very troublesome business and decides to sell the houses. What will be done in that case?

Sir H. YOUNG: Perhaps I can assist the hon. Lady. There is a specific Amendment on the Order Paper dealing with that matter.

Miss RATHBONE: I am glad to hear that, but I should like to be sure that that specific Amendment ensures that not only will the house be a house to be let but that it shall be let at a reasonable rent. How can that be ensured if, in the right hon. Gentleman's own words, he is not going to exercise any sort of oversight into the question of what the rent can be? The very case for this Amendment is proved by the unsatisfactory place in Acts of Parliament of phrases which are never defined and which are left to the local authority to interpret rightly. Some time ago I asked a question as to what was the definition put by the Ministry upon the phrase, "Housing of the working classes," which has been used in practically all the Housing Acts for the last 50 years. I was told that it had never been defined and that it had never been found necessary to define it, but that it was left to the local authorities.

Yet, by the statement of the Parliamentary Secretary to-day, one of the reasons for the subsidy being stopped is that the beautiful houses, as he termed them, which had been put up by the aid of the subsidy had not gone to the people who really required the subsidy. He said that they went to the cream of the working classes. I think he put it much too mildly. Many of the houses have not gone to the working classes at all, but to the middle classes. In one Debate in the last Parliament a former Member of this House gave an instance which stuck in my mind, where the London County Council had in the same week accepted two tenants, a retired captain with an in-

[Miss Rathbone.]

come of £600 a year, and also two spinster school mistresses with joint incomes amounting to £700 a year, and had refused a man with a wife and three children, whose earnings were £4 a week. It is notorious that one of the things which has led to contempt in the country in regard to the working of the subsidy system is that there has not been control by the local authorities of the houses once they had been put up.

There has been no attempt to make certain that the houses got into the hands of the people who required subsidised houses. It is very largely because that has gone wrong that the Ministry has now put an end to the subsidy system, yet in this Clause the Minister is going to be content with the least form of control, apparently exercised at the moment that the contract is entered into with the building society. We are not told the nature of the control. Is it to be definitely ensured that the houses are to be let and not sold and, if so, for what period? Is there any termination of the obligation to let and not to sell? In the second place, if the houses are let, is there any guarantee that they will be let at rents that will make them useful to the class of people defined by the Minister as the lower paid wage-earners?

10 p.m.

Mr. JANNER: I would not have risen to speak were it not for the fact that the right hon. Gentleman made reference to the impossibility of saying what control might be imposed upon the rents to be charged to tenants of these houses. I hope that the Government will find some method of coping with this matter. At a later stage the houses may either be sold or let to the highest bidder. I cannot see any reason why a formula cannot be obtained, a formula similar to the one which prevails in respect of the Increase of Rents and Mortgage Interest (Restrictions) Acts. We might very easily follow a similar wording for the purpose of control in respect of these houses as we do under those particular Acts.

Sir H. YOUNG: Perhaps I can help the hon. Member. There is a specific Amendment on the Order Paper to deal with that matter.

Mr. JANNER: If I can be assured that that Amendment is going to be taken, I shall sit down, but if it is not the intention to call that Amendment, I should prefer to continue my remarks. May I ask if it is proposed to call that Amendment?

The DEPUTY-CHAIRMAN: Will the hon. Member indicate the Amendment to which he refers?

Mr. JANNER: It is the Amendment which stands in the name of the hon. Member for West Walthamstow (Mr. McEntee)—in page 2, line 9, after the word "classes," to insert the words

"at rents which do not exceed the rents which would be chargeable if the Rent and Mortgage Interest (Restrictions) Acts, 1920 to 1925, applied to such houses."

The DEPUTY-CHAIRMAN: It is not my intention to call that Amendment as the present Amendment appears to me to cover a much wider ground.

Mr. JANNER: I understood that to be the case, and that is why I was referring to this particular method of coping with the position, when the right hon. Gentleman interrupted. It appears to me that a formula has been found. It is clear that the Increase of Rents Acts were introduced because it was realised that some kind of control must be put upon the amount of increase permitted in respect of the rents of houses. Why on earth when a grant is being given for the purpose of erecting houses a similar proviso should not be forthcoming to protect the tenants who are going to occupy those houses, I cannot say. It is obvious that it is possible to insert such a proviso, and it is equally obvious that it is not the intention of the Government nor of anybody else in this House to allow the Increase of Rents Acts to be dropped entirely. Consequently, if the Government were to regard the position in its proper light, they might accept some formula of that description. There is no reason why they should not say, so long as these Acts are in force, that the houses which are now being built shall come within the provisions of those Acts. It is the simplest thing in the world and requires no intricate formula. It could be easily worked, because one Act would cover all houses referred to in this Bill as well as houses covered by the Increase of Rents Act. If the right hon. Gentleman will not accept the Amendment I hope he will try and provide by some Amendment to the Bill for tenants to be protected. I suggest that the easiest way would be to accept the decision of the House in respect of the Increase of Rents Act and make this simple remedy apply in both cases.

10.6 p.m.

Mr. McENTEE: By the interjection of the Minister of Health just now I rather gathered that he thought you, Mr. Deputy-Chairman, would call the Amendment which stands in my name, and I rather imagined that he was favourably disposed towards it. However, as you have determined that my Amendment cannot be called I should like the Minister of Health to reconsider his decision on the present Amendment. Let me point out the contradiction in the policy of the Government in regard to rent restriction. In a Bill which the right hon. Gentleman introduced a few days ago he preserves control over the type of house which we are considering at the moment; the only houses which go out of control under that Bill are the larger types of house. The type of house which is to be preserved under the other Bill is not to be controlled at all under this Bill. That indicates one thing to me; that where local authorities are dealing with houses control of rents is to exist, but that where private enterprise is dealing with houses they are to be allowed to exploit the public as much as circumstances will permit.

Under the proposal a local builder may go to a building society and say, "There is a great demand for houses in a certain locality, indeed, houses are so badly needed that the people there are ripe for exploitation. All you have to do is to enter into an agreement with me to finance a scheme for the building of houses. When the scheme has been approved by the local authority you agree to a loan of 90 per cent. instead of 70 per cent. In regard to the 20 per cent. two-thirds will be guaranteed by the Government and the local authority, and the only extra risk you have is the 6⅔ per cent.; but in consideration of that the Ministry of Health is prepared to give you the power to exploit the tenants you can get up to the fullest extent. The real position is that there is a tremendous demand for houses and the people will be prepared to rent houses under almost any conditions." That is a serious position in which to leave tenants in congested areas, and some control should be exercised, in the same way as it is exercised in regard to other houses. Why should a tenant living in a house be protected in his rent and a tenant who goes into one of the new houses not receive similar protection? There is no logic or reason in it.

The only excuse given by the Minister is that there is no machinery in existence. May I remind him that machinery does exist, and that it operates very well. If a local authority, through a public utility society, goes to the Minister with a scheme and the scheme is approved, it is approved under certain conditions; and one of the conditions is that before sanction is given the rent shall be determined and the local authority is compelled to insist on the carrying out of that condition. Is not that machinery available in this case? Why should not a local authority in this case have the control over rents which they exercise in regard to certain schemes? It is not a question of machinery, nor is it expensive. It is available; and could be extended. The Minister's statement is only an excuse for not imposing some form of control over rents. Why should tenants be exploited in this way? The ordinary speculative builder who gets his money through building societies has only one consideration in mind. He does not go in for the building of houses because people need houses. No baker makes bread because people need food. They bake bread and sell bread because there is a profit in the making and selling of bread; and in the same way a builder enters into a contract solely because he can make a profit out of it. If we are good business men we run our business with the object of making as much profit as we can. That is the system to which the right hon. Gentleman gives his full support, and he is doing a fine service to builders and building societies in refusing to prevent them from exploiting the people to the full. They will thank him very much for it. But we shall take every opportunity to point out that this Government is really not what it professes to be, a National Government, but is a Government which passes a Bill to give further opportunities for an exploitation of the poorer people of the country.

The title of the Bill is wrong. It should be called a Housing Bill to enable builders and building societies to further

[Mr. McEntee.]

exploit the people of the country. That is apparently the main object of the Bill. The object certainly cannot be to give the people houses at reasonable rents, because the Minister has taken every opportunity to show his desire to enable those people to exploit the tenants and has shown himself definitely opposed to the public interests and the interests of those who are least able to pay for decent housing accommodation. It is sheer rubbish to say that it is not possible to set up machinery. The machinery exists already, and could easily be put into operation if there were any desire to do so. The trouble is that the Minister has no such desire.

10.16 p.m.

Major NATHAN: I wish to join my voice to that of the hon. Baronet, my colleague in the representation of Bethnal Green (Sir P. Harris), in pressing this Amendment on the Minister. The Minister has twice, in interruptions, referred to an Amendment which covers the point intended to be covered by the Amendment under discussion, but he has not vouchsafed to tell the Committee to what Amendment on the Paper he refers. I find no Amendment on the Paper in the name of the Minister, and I am entirely in the dark as to what Amendment he has in mind. I ask the right hon. Gentleman now to be good enough to inform the Committee to what Amendment he has twice referred. If he will not condescend to do so——

Sir H. YOUNG: I hope the hon. and gallant Gentleman will acquit me of any discourtesy. It takes a moment or two to look up the Amendment.

Major NATHAN: I would not for the world suggest any discourtesy on the part of the Minister. We all know him far too well to do that, but I gathered from his attitude that he was not going to reply to my question.

Sir FRANCIS FREMANTLE: If the hon. and gallant Member will look at the middle of page 281 he will see an Amendment in the name of the hon. Baronet the Member for South-West Bethnal Green (Sir P. Harris).

Major NATHAN: I am very much obliged to the hon. Member for St. Albans (Sir F. Fremantle), but it was the Minister's reply that I desired to have. The right hon. Gentleman's interruptions and references to an Amendment on the Paper was in any case irrelevant unless accompanied by the further statement that he proposed to accept that Amendment. The Bill provides in the Clause that a guarantee is to be given in respect of houses intended to be let or to be occupied by the working classes. The guarantee is to be given at the point of time when the contract is made, and may very well be long in anticipation of the point of time when the building is finished and ready to be let or sold. It may well happen that in perfect good faith both the Minister and the society will come to an arrangement under which the guarantee has to be given on the footing that at the time the arrangement is made the houses are to be let for occupation by persons of the working classes. But of course there is nothing in the Bill to give any guarantee that public funds will, in fact, only be used for the purpose of ensuring that these houses are let to persons of the working classes.

In the nature of things no such guarantee or definite undertaking to be fulfilled in all circumstances can either be given by the society or exacted by the Minister, because the future does not lie in the hands of the Minister or of the building society. But if there is prescribed in the Bill a figure for the rent, or an indication of how the rent is to be ascertained, that would ensure that the property cannot be used otherwise than for the purposes of letting, and, if the rent be, in the words of the hon. Baronet, "a reasonable rent," the demand by the working classes for houses at a reasonable rent is so great that, as far as anyone can form a judgment in anticipation of the event, the houses will not only be available for the working classes but actually occupied by the working classes. The Minister dismissed rather casually the phrase "reasonable rent" used by my hon. Friend the Member for South-West Bethnal Green. I ask myself and I ask the Committee whether the Minister is fully justified in doing so. In the first place, what are the working classes for the purposes of this Act? I refer the Committee to the definition given in the Fifth Schedule to the Housing Act of 1925:

"The expression 'working class' includes mechanics, artisans, labourers, and others working for wages, hawkers, costermongers, persons not working for wages . . . . and persons other than domestic servants whose income in any case does not exceed an average of three pounds a week."

It is clear that in the contemplation of the legislature, broadly speaking, the houses that were to be supplied under the Housing Acts were houses for persons in the employments mentioned, with a general indication that it might be assumed that they were persons whose income on the average was £3 a week. That involves that the rent shall be a small rent. It involves that the rent shall be a "reasonable rent"—the term used in this Amendment—having regard to all the circumstances of the case.

Lord E. PERCY: Will the hon. Member read the heading of the Fifth Schedule to the Housing Act of 1925 from which he has quoted?

Major NATHAN: I am giving the definition used in that Housing Act, and I believe the Noble Lord has the document before him.

Lord E. PERCY: Yes, but the Fifth Schedule is headed:

"Provisions as to rehousing in case of displacement of persons of the working-class."

Major NATHAN: Do I understand the interruption of the Noble Lord to indicate that the definition of persons of the working class in the Bill which we are now considering is different from the statutory definition in the Housing Act of 1925?

Lord E. PERCY: As far as I know, the Fifth Schedule to the Act of 1925 is the only place in which any definition of working class is contained, and that is not a definition for the general purposes of that Act.

Major NATHAN: It is clear that the definition given in the Housing Act of 1925, in the Fifth Schedule, was given for the purposes of that Act.

Lord E. PERCY: No, for the purposes of part of that Act.

Major NATHAN: It was given for the purposes which are indicated in the Fifth Schedule. But I challenge the Noble Lord to find, in the whole of the Housing Acts, any other definition of persons of the working class. That is the only definition, and if it is any assurance to the Noble Lord, I have taken the trouble to search the Housing Acts to find if there was any other definition. Therefore, it may be assumed that, for the purposes of housing legislation, that is the definition which the Legislature has deliberately adopted. The hon. Baronet framed his Amendment "reasonable rents," and I must confess that it is not a phrase which at first sight I should have regarded as particularly happy, because it is notoriously difficult to define what is a reasonable rent. But I find very considerable assistance from a Circular issued by the Ministry of Health in relation to housing, where this very phrase is used. In Circular 520 the following phrases appear, and for the sake of saving time I put them shortly, though I quote textually the relevant phrases. It was in relation to the Housing Act of 1924, and in this Circular it was laid down that the object of that Act was to enable

"provision of houses to be made for letting at reasonable rents."

That is the very phrase used by my hon. Friend. But the Circular does not leave the matter there. It goes on to define how a reasonable rent is to be ascertained, and it says that the first thing to be done is to determine what are to be regarded as the rents of ordinary working-class houses, which is to be ascertained according to the rules set out in the Appendix. If one refers to the Appendix, one finds there a set of rules, headed "Rules for determining the appropriate normal rent." In the face of this Circular, issued by the Minister's predecessor in the distinguished office which he now holds, and still in operation, as I understand it, I fail to understand what grounds he can have for refusing to adopt the Amendment of my hon. Friend in the actual terms in which it is proposed, for if my hon. Friend had, in framing his Amendment, sought a precedent, he would have found it in the Circular relating to housing to which I have referred, issued by the Ministry of Health itself.

10.24 p.m.

Sir H. YOUNG: If I may answer the question put to me, the Amendment to which I referred was that relating to the Rent and Mortgage Interest (Re-

[Sir H. Young.]

strictions) Acts, which had not yet been ruled out of order. The Amendment would, in the view of the Government, be of no assistance in the matter at all, for the reason that it seeks to apply to the standard of rents for these houses the rents which would be chargeable under the Rent and Mortgage Interest (Restrictions) Acts. No rents are affected by those Acts except the rents of houses which were in existence before the War, and the figure to which the present rents are restricted is determined by reference to pre-War rents. It is obvious that you cannot apply the standard rent in fixing the reasonable rent for new houses.

Mr. McENTEE: Is it not a fact that the appropriate normal rent is taken as the basis on which rents are fixed by the right hon. Gentleman's own Department?

Sir H. YOUNG: The hon. Member has not distinguished between normal rents and rents under the Rent Restrictions Acts.

10.31 p.m.

Major NATHAN: I only venture to rise again because of the Minister's reply to my question. The rules to which I was referring under Circular 520 do not in any way refer to the Rent Restrictions Acts. I appreciate the point made by the Minister there, and I do not think that the Amendment to which he referred can be applied to the circumstances of the present case. The Appendix of Circular 520 sets out rules in this way, however:

> "The local authority shall obtain particulars of the current rents of working-class houses of all types erected in the district prior to 3rd August, 1914, in such numbers and proportion as are in their opinion fair and representative of all those houses in the district."

Then it makes certain provisos, to which I need not refer, and goes on to say:

> "The appropriate normal rent for each of the two classes of houses in the area, or in part of the area as the case may be, shall be the average rent payable in respect of the houses of that class of which particulars have been obtained."

In other words, the Ministry relates reasonable rents of this kind back to the rents as they were in August 1914. Therefore, while I agree, the terms of the Amendment of my hon. Friend the Member for West Walthamstow (Mr. McEntee) are not appropriate, the Amendment of my hon. Friend the Member for South West Bethnal Green (Sir P. Harris) has precisely the same object by following out the procedure laid down in Circular 520, which has operated for some years past and still now operates.

10.33 p.m.

Mr. GREENWOOD: I am disappointed but not surprised at the attitude of the right hon. Gentleman. When he introduced the Bill, he was determined to get back to private enterprise without any restrictions whatever. The only kind of limitation that there is in Clause 2 is that the houses to be built are to be intended to be let to the working classes. He has relented somewhat in regard to the size, and so on, of the houses to be built. His argument against this Amendment and against a subsequent Amendment is that they are unworkable. I think that it has been demonstrated clearly that under the Act of 1924 scores of thousands of houses are having their rents determined on the basis of pre-War rents plus the 40 per cent. allowed under the Rent Restrictions Acts. It is therefore possible to get something approximating the appropriate normal rent for the houses which are now to be built by private enterprise. The right hon. Gentleman told a long story and said that we would have to consider the price of the house and the circumstances of the case—vague phrases, like the Amendments he is prepared to accept in Committee—also the economic rent, and then, if we are satisfied with these things the Government and the local authorities will give the guarantee and the building societies will go ahead, and, at a further stage, the private builder will build the houses.

What is the right hon. Gentleman's responsibility? At a maximum 8s. per house, according to the Financial Memorandum on the Bill. He has no responsibility that matters. He has put forward to-night an Amendment enabling him to take certain steps with the approval of the Treasury. I suggest that the approval of the Treasury in respect of 8s. per house is not very much. In fact, the right hon. Gentleman's control over rents is utterly negligible. He would wish it to be so, and so would many hon. Members opposite. Their main desire is to get back to unrestricted private enterprise. We are to have certain Amendments which in practice amount to nothing, but on the return that is to go to the speculator who builds houses there is to be no concession at all.

I do not approve very highly of the hon. Baronet's Amendment about reasonable rents. I do not know what reasonable rents are, and I am quite sure the right hon. Gentleman has no view whatever about reasonable rents. They are the rents which a private builder can extract for the houses. I would have preferred something a little more definite. It is quite clear that the right hon. Gentleman is prepared to let loose private enterprise in the building of houses, subject to very ill-defined conditions, without any restrictions whatever as regards rents, and he tells the Committee that he honestly believes that this is a method of solving the housing problem. I am sorry that we cannot debate our own Amendment, but we are bound to go into the Lobby behind the hon. Baronet in support of his Amendment to get some control of the rents to be charged by private enterprise.

10.37 p.m.

Sir F. FREMANTLE: I am sorry that the right hon. Gentleman the Member for Wakefield (Mr. Greenwood) is unable to realise the conditions of private enterprise. It is true, as he says, that the Minister is resigning himself to the operations of private enterprise. We have made our choice and decided that building is now to be entrusted not to municipal enterprise with subsidies, but to private enterprise. Obviously there will be very little incentive to municipal authorities to build without subsidies. We have made that definite choice. It may be right or it may be wrong. In the opinion of hon. Members opposite it is wrong and in the opinion of us it is right. When a policy has been decided upon we must note the implications of it, and the implications are not merely the idea that private enterprise is going to plunder and to profiteer out of this business. That is guarded against in Clause 2, where the Minister and the local authorities may—it does not say must—guarantee, and they will only guarantee, presumably, in cases where they consider the scheme is justifiable.

The implication of private enterprise is that we must give it the very utmost encouragement. The minds of the right hon. Gentleman opposite and his friends, although I do not say it in any accusing spirit, have, since they were babies, been running on national, Socialistic, one might also say Communistic, lines, namely, forcing things into a rigid scheme. That is the absolute opposite of private enterprise, and therefore any criticism they make of private enterprise really fails to meet the case, for the very reason that the conditions of private enterprise, of freedom, are opposed to the whole basis of their ideas. They may be right. Their mentality we cannot understand, but their mentality may be right, although it brought this country to the brink of ruin in 1931.

Mr. LANSBURY: Rotherham.

The DEPUTY-CHAIRMAN: The hon. Member for St. Albans (Sir F. Fremantle) is wandering rather a long way from the subject of the Amendment.

Sir F. FREMANTLE: I beg your pardon, Captain Bourne. It is quite clear that if you are to apply private enterprise to the solution of this problem, even if you start from the point of view of the Socialist party, you must encourage it everywhere you can. We are distinctly imposing conditions already in the Bill, and they are implicit in the Clause by the fact that the local authorities and the Minister have to approve a scheme. That being the case, you are not encouraging the private builder. Hon. members on the other side who maintain—and I trust to their genuineness in maintaining—that they are anxious that we shall make a success of this new idea in housing for the sake of the people, must combine with us in being anxious not to clip the wings of private enterprise more than is absolutely necessary. Any question that you are to have a rigid rule as regards rents, or any rigid figures, is against the theory upon which we are working to-night.

Private enterprise is a very delicate matter. [HON. MEMBERS: "Oh!"] Hon. Members know perfectly well that when they are dealing with their own rents which they have to pay, and with the other disbursements from their pockets, private enterprise is most delicate. It is capable of the greatest possible achievements as well as of the greatest possible failures. I maintain that the wider we extend the opportunities conferred by this Clause, the more likely it is we

[Sir F. Fremantle.]
shall be able to do what hon. Members on both sides of the Committee must wish, that is, to make a success of the new scheme of housing.

10.42 p.m.

Sir STAFFORD CRIPPS: It is very entertaining that a very rigid trade unionist, a member of one of the most rigid trade unions in the country, should get up with such a defence of the system of free rents.

Sir F. FREMANTLE: On a point of personal explanation. May I say that I belong to no trade union, and that nothing is further from the thoughts of the medical profession than indulging in strikes?

Sir S. CRIPPS: There are other things besides strikes, but I will not chaff the hon. Member any further upon that point. He belongs to one of the closest unions in the country; unfortunately it will not affiliate with the Trades Union Congress. The claims of private enterprise failed years ago. If we are to judge as between free rents and controlled rents, we are entitled to look round the country and see what has been done in the way of housing in the last 100 years, first of all by private enterprise and secondly by municipal enterprise. I guarantee that any hon. Member who makes an investigation into the two systems and their results, will indubitably come down on the side of municipal enterprise. [HON. MEMBERS: "No!"] Indubitably. Hon. Members may take London alone, and I will guarantee that if they look at the matter in an unbiased way, for example at the London County Council building schemes and compare those schemes with the slum areas of London which were built under private enterprise, they will come indubitably to the conclusion that municipal enterprise is better if one wants decent housing conditions.

The hon. Member said that this very delicate flower can only be nurtured provided that you give the maximum of profit, and that, therefore, you have to see that there is no means of regulating the rents at all. This flower can only thrive in a soil which has for its nourishment—[AN HON. MEMBER: "Liberty!"] —complete liberty to exploit. But that is not what we call liberty. Liberty has two sides. There is the liberty of the person who has to live in the house as well as the liberty of the person who owns the house, and we are anxious to give the person who lives in the house some liberty as well as the person who owns the house. The House of Commons has constantly stated, ever since the War that where there is a shortage of houses as there is now, you must control rents or there is no liberty. The hon. Member says that private enterprise cannot stand that type of liberty. It is only one particular type of liberty that it can stand—liberty for the landlord or the owner to charge as much rent as he can force out of the tenant. We do not believe that to be right, especially when it is not unaided private enterprise. Under this Bill, powers are being taken to assist private enterprise at the cost of the State. That is one of the objects of the Bill. Apparently, this delicate flower can stand the State assistance on the one hand, but it cannot stand any State control of its profits on the other.

Sir F. FREMANTLE: May I remind the hon. and learned Gentleman that, as I said, there is a general control through the Minister and the local authority having to consent, because they do not have to contribute?

Sir S. CRIPPS: There is a general control, but there is very specific assistance, and that is the constant concomitant of private enterprise; it is always anxious and willing to take all it can, but it is never anxious or willing to give. In this case we believe that, if the State is going to be asked, as it is being asked, to shoulder some of the burden, those who constitute the State—the vast mass of them being tenants and not landlords—are entitled to say, "If we shoulder the burden of the expense, we make conditions," and one of those conditions, we believe, ought to be a reasonable rent. If private enterprise is so delicate that it cannot stand a reasonable rent, then the sooner it dies the better.

10.54 p.m.

Mr. CURRY: I want to ask the Minister one question before this discussion concludes. We have heard that the State has a general control, but, so far as I understand the Bill, the general control is only at the inception of the proceedings—during the building of the houses; and those houses are to be built at the risk of State money or State credit. I would like to know from the Minister to what extent the control of the authority is going to live after the houses are built and occupied. Is there to be any control at all over the rents or over the ultimate destination of the houses? May the houses, having been built on the credit of the State, be sold on the market? May tenants who are unable to pay these uncontrolled rents be ejected; and what control has the State over these things?

Sir S. CRIPPS: None.

Mr. CURRY: I cannot accept the very ready answer of the hon. and learned Gentleman. I am looking with some confidence to the contradiction of the Government. I should be much obliged if we could have some statement on this question.

10.51 p.m.

Mr. HOLDSWORTH: I want to contradict the right hon. Gentleman who spoke with some confidence about municipal housing. If my experience counts, I know of houses that cost £1,100 to build that would be sold to-day for £300. It is futile to argue that, because houses have been built under municipal housing schemes with a subsidy in the last few years, that is any condemnation of houses built 50 or 100 years ago. I maintain that there can be no comparison and that, if the right hon. Gentleman had been sitting on the Treasury Bench at that time, he would not have put up houses of the standard we put up to-day. Progress has been made and there is a different outlook. In my judgment, it is totally unfair to compare those houses with houses built in the last few years.

As to the question whether those who build houses under this scheme are going to extort whatever they can get, I maintain that that also is an unfair argument. The building societies who will make the loans—the Bill will go through and we must argue on that basis—are not likely to risk their money on building houses to be let at rents too high for the people to afford to pay. These societies are run by business people. They are not going to give permission to build houses to be let at rents which the people cannot afford to pay. The guarantee that there will be reasonable rent is the fact that all concerned have their money at stake. This is mere political propaganda to suggest that the people who build these houses will get a rent which the people cannot afford to pay. The Opposition cannot have it both ways. They cannot argue that the houses will be let at rents that people cannot afford to pay, and that it is extortionate. If they cannot let them, they will not be able to extort the rent.

Sir S. CRIPPS: I never said they would not be let because the rent would be too high. I said that they would extort the highest rent they could.

Mr. HOLDSWORTH: I would ask the hon. and learned Gentleman to realise that it is not possible for any private trader to dictate to the community as a community or as individuals what they should pay. Even with the low prices to-day, you cannot tell people what they must pay. That is decided by the people in their demand. I may remind him that there are such private schemes as Port Sunlight and the Welwyn Estate which compare very favourably with anything that municipal enterprise has done. The result of municipal enterprise has been to give people houses at a rent they cannot afford to pay, and in the City of Bradford with a 5d. rate in addition. It is not fair to use this as an opportunity for mere Socialist propaganda and to compare municipal enterprise with private enterprise unless private enterprise is given a fair chance.

10.55 p.m.

Mr. LANSBURY: The hon. Member has waxed very wrathful about political propaganda, and I should like to give the Committee my experience. If he will come to Bow to-morrow, I will take him through streets and show him houses which have been decontrolled and show him the results of decontrol, where people are having to pay key money, sometimes as much as £10, in order to get any accommodation at all. There are hundreds of these houses in my division owned by people who never come near them but employ people to farm them out and squeeze as much as they can out of the unfortunate tenants. The hon. Member talks about a 5d. rate. The hon. and gallant Gentleman the Member for St. Albans (Sir F. Fremantle) knows

[Mr. Lansbury.]
that a 5d. rate for building houses fit for people to live in saves a 5d. rate on the health services of any district in London.

Sir F. FREMANTLE: Not necessarily.

Mr. LANSBURY: Yes, necessarily so. I have heard the hon. and gallant Gentleman make similar statements himself and he knows perfectly well, if he knows anything at all, that bad housing and moral conditions create the necessity for the clinics and health services which have to be provided in slum areas. The hon. Member for Bradford, too, can come to Poplar and see where we have built by municipal enterprise homes that did cost £1,100. They cost that immediately after the War when the Government, instead of taking control of prices, shovelled out the money to contractors and others who became very rich out of it. It was not the fault of the municipalities but of those in control nationally, who did not control prices. [*Interruption.*] Addison or anyone else. Anyhow he was cheered and supported by the hon. Member's Friends until he saw the light and left them. It is sheer idiocy to use that as any argument against municipal building. The hon. Member talked about new methods that had come into private enterprise. I can take him to houses built within the last 20 years by private enterprise which are let at higher rents than those charged by the Poplar Borough Council or the London County Council though they do not compare at all with them. I can also show him rows of houses which would all fall down if you took one out of the middle. Many of them have not been built 40 years. They are made up land which has never prope settled.

The DEPUTY-CHAIRMAN: The rig hon. Gentleman is getting rather f from the Amendment.

Mr. LANSBURY: I am only tempted do this because of the lecture we ha received from the hon. Member f South Bradford (Mr. Holdswort These houses, which are at Hackn Wick, are a disgrace to any builder any society that allowed them to be bui When you talk to me of private ente prise and what private enterprise h done, go and look at the back-to-ba dwellings in your own city, and in t City of Leeds and the City of Birmin ham, all of them built by private ente prise and by men who were not asham to squeeze extortionate rents out of t necessities of the very poorest of the co munity. They are being built to-day. slum does not necessarily mean a narro street. A slum is created by extortionat rents, when you squeeze people and pac families into one or two rooms becau they cannot afford to pay more. I hav listened to a good many Debates in thi House, but this Debate taken part in b the hon. and gallant Gentleman and hi assistant has more than convinced me tha private enterprise as far as housing i concerned has neither a leg nor a bric to stand upon.

Question put, "That those words b there inserted."

The Committee divided: Ayes, 44 Noes, 165.

Division No. 58.] AYES. [11.2 p.m.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Batey, Joseph
Bevan, Aneurin (Ebbw Vale)
Brown, C. W. E. (Notts., Mansfield)
Buchanan, George
Cape, Thomas
Cocks, Frederick Seymour
Cove, William G.
Cripps, Sir Stafford
Daggar, George
Davies, David L. (Pontypridd)
Edwards, Charles
Evans, David Owen (Cardigan)
Evans, R. T. (Carmarthen)
Graham, D. M. (Lanark, Hamilton)
Greenwood, Rt. Hon. Arthur
Grenfell, David Rees (Glamorgan)
Griffith, F. Kingsley (Middlesbro', W.)
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Hicks, Ernest George
Jones, Morgan (Caerphilly)
Lansbury, Rt. Hon. George
Lawson, John James
Logan, David Gilbert
Lunn, William
Macdonald, Gordon (Ince)
McEntee, Valentine L.
McGovern, John
Maclean, Neil (Glasgow, Govan)
Maxton, James
Milner, Major James
Nathan, Major H. L.
Owen, Major Goronwy
Parkinson, John Allen
Price, Gabriel
Rathbone, Eleanor
Salter, Dr. Alfred
Tinker, John Joseph
Williams, Edward John (Ogmore)
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE AYES.—
Sir Percy Harris and Mr. Curry.

NOES.

Acland-Troyte, Lieut.-Colonel
Albery, Irving James
Applin, Lieut.-Col. Reginald V. K.
Aske, Sir Robert William
Balniel, Lord
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Benn, Sir Arthur Shirley
Bird, Ernest Roy (Yorks., Skipton)
Blindell, James
Borodale, Viscount
Bossom, A. C.
Bowyer, Capt. Sir George E. W.

Braithwaite, J. G. (Hillsborough)
Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Brig.-Gen.H.C.(Berks.,Newb'y)
Browne, Captain A. C.
Buchan-Hepburn, P. G. T.
Burghley, Lord
Butt, Sir Alfred
Campbell, Edward Taswell (Bromley)
Carver, Major William H.
Cassels, James Dale
Castlereagh, Viscount
Chorlton, Alan Ernest Leofric
Christie, James Archibald
Colfox, Major William Philip
Conant, R. J. E.
Cooke, Douglas
Craven-Ellis, William
Croom-Johnson, R. P.
Culverwell, Cyril Tom
Dalkeith, Earl of
Davies, Maj. Geo. F.(Somerset, Yeovil)
Donner, P. W.
Drewe, Cedric
Duckworth, George A. V.
Duncan, James A. L. (Kensington, N.)
Edge, Sir William
Elliston, Captain George Sampson
Elmley, Viscount
Emmott, Charles E. G. C.
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Everard, W. Lindsay
Ford, Sir Patrick J.
Fox, Sir Gifford
Fremantle, Sir Francis
Ganzoni, Sir John
Gluckstein, Louis Halle
Goldie, Noel B.
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Graves, Marjorie
Guinness, Thomas L. E. B.
Gunston, Captain D. W.
Guy, J. C. Morrison
Hacking, Rt. Hon. Douglas H.
Hanbury, Cecil
Hannon, Patrick Joseph Henry
Heneage, Lieut.-Colonel Arthur P.
Holdsworth, Herbert
Hornby, Frank
Horne, Rt. Hon. Sir Robert S.
Horobin, Ian M.
Hudson, Capt. A. U. M. (Hackney, N.)
Hume, Sir George Hopwood
Jackson, Sir Henry (Wandsworth, C.)
Jackson, J. C. (Heywood & Radcliffe)
Johnston, J. W. (Clackmannan)
Jones, Sir G. W. H. (Stoke New'gton)
Jones, Henry Haydn (Merioneth)
Ker, J. Campbell
Lamb, Sir Joseph Quinton
Law, Sir Alfred
Law, Richard K. (Hull, S.W.)
Leech, Dr. J. W.
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Levy, Thomas
Liddall, Walter S.
Lindsay, Noel Ker
Llewellin, Major John J.
Loder, Captain J. de Vere
MacAndrew, Lt.-Col C. G. (Partick)
Macdonald, Sir Murdoch (Inverness)
McEwen, Captain J. H. F.
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Macmillan, Maurice Harold
Magnay, Thomas
Maitland, Adam
Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. .R
Mayhew, Lieut.-Colonel John
Meller, Richard James
Mills, Major J. D. (New Forest)
Milne, Charles
Mitcheson, G. G.
Molson, A. Hugh Elsdale
Moss, Captain H. J.
Muirhead, Major A. J.
Nation, Brigadier-General J. J. H.
Nunn, William
Oman, Sir Charles William C.
Palmer, Francis Noel
Pearson, William G.
Percy, Lord Eustace
Perkins, Walter R. D.
Petherick, M
Peto, Geoffrey K.(W'verh'pt'n, Bilston)
Potter, John
Procter, Major Henry Adam
Raikes, Henry V. A. M.
Ramsay, T. B. W. (Western Isles)
Ramsden, Sir Eugene
Rankin, Robert
Ratcliffe, Arthur
Ray, Sir William
Reid, James S. C. (Stirling)
Reid, William Allan (Derby)
Renwick, Major Gustav A.
Roberts, Sir Samuel (Ecclesall)
Robinson, John Roland
Ropner, Colonel L.
Rosbotham, Sir Samuel
Russell, Albert (Kirkcaldy)
Russell, Alexander West (Tynemouth)
Rutherford, Sir John Hugo (Liverp'l)
Salmon, Sir Isidore
Salt, Edward W.
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Sanderson, Sir Frank Barnard
Savery, Samuel Servington
Scone, Lord
Selley, Harry R.
Shakespeare, Geoffrey H.
Shaw, Captain William T. (Forfar)
Shepperson, Sir Ernest W.
Smith, Sir Jonah W. (Barrow-in-F.)
Smith, Louis W. (Sheffield, Hallam)
Smith, R. W. (Aberd'n & Kinc'dine, C.)
Somerville, Annesley A. (Windsor)
Stanley, Lord (Lancaster, Fylde)
Storey, Samuel
Stourton, Hon. John J.
Sueter, Rear-Admiral Murray F.
Sugden, Sir Wilfrid Hart
Sutcliffe, Harold
Templeton, William P.
Thomson, Sir Frederick Charles
Titchfield, Major the Marquess of
Turton, Robert Hugh
Vaughan-Morgan, Sir Kenyon
Ward, Lt.-Col. Sir A. L. (Hull)
Warrender, Sir Victor A. G.
Wells, Sydney Richard
Weymouth, Viscount
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Wilson, Clyde T. (West Toxteth)
Windsor-Clive, Lieut.-Colonel George
Winterton, Rt. Hon. Earl
Wise, Alfred R.
Young, Rt. Hon. Sir Hilton (S'v'oaks)

TELLERS FOR THE NOES.—Commander Southby and Dr. Morris-Jones.

Mr. GREENWOOD: I beg to move, "That the Chairman do report Progress, and ask leave to sit again."

We on this side of the Committee understood that although the Eleven o'Clock Rule has been suspended it was not proposed to finish the Bill to-night. That was our impression, and I should like to know how far the right hon. Gentleman proposes to go.

Sir H. YOUNG: There is a good deal of matter still on the Order Paper, but its nature is such that the Committee ought not to take any prolonged time in dealing with it. As a matter of fact, it is my intention to accept some of the Amendments, and others, to an onlooker, seem as if they may not be in order. Indeed, the points raised by the remaining Amendments are such that they may be dealt with in a comparatively short time, and I think we may be able to finish them.

Motion, by leave, withdrawn.

11.14 p.m.

Sir P. HARRIS: I beg to move, in page 2, line 20, at the end, to insert the words:

"Provided that any proposals made to the Minister under this Section shall—

(*a*) include such particulars as he may direct as to the number and type of the houses intended to be built or acquired and the approximate size of them measured in superficial feet; and

(*b*) make provision for securing that, except in so far as the Minister may in any particular case dispense with the requirements of this paragraph, the number of such houses in relation to the area occupied or intended to be occupied by and in connection with them will not exceed the rate of 12 to the acre."

[Sir P. Harris.]

My object in moving this Amendment is to bring the Bill into line with the Acts of 1923 and 1924. I am showing my confidence in the right hon. Gentleman by giving him these large powers. We may criticise him, but I am satisfied that if he has these powers he will endeavour to see that not too many houses are built to the acre, that the principle of 12 per acre will be adhered to, except a very strong case is made to the contrary. Secondly, that he will see that the right type of house is provided for in any scheme which comes before him. The Amendment does not go quite as far as I should desire, but I think it does provide some security that this Bill will not repeat the disasters of the nineteenth century and perpetrate what the right hon. Member for Bow and Bromley (Mr. Lansbury) described as long roads of mean dull streets which disfigure most of our towns. I gather that the right hon. Gentleman proposes to accept the Amendment.

11.16 p.m.

Sir H. YOUNG: The hon. Member's anticipations are correct. I propose to ask the Committee to accept this Amendment. The first part deals only with information which is necessary to enable the Minister to form a judgment of the nature of the application and quite appropriate for him to be entitled to receive as a statutory right. The second part deals in particular with the re-enactment, as a standard, of the density of 12 houses to the acre, except in so far as the Minister may, in any particular case, dispense with that requirement. I have already told the House that it is not the policy of the Government, as a part of the new organisation of housing, to assent to any relaxation of the general standards of national housing. If that is so, I think it would be quite appropriate that we should signalise the fact by re-inserting this definite standard of 12 houses to the acre in the new Bill. Nevertheless, it is true to say that it is necessary that the Minister should have power in any particular case to make a relaxation of that standard. There are cases in which, in order to obtain the housing which the people require, it is necessary that the standard should be relaxed. Otherwise, the houses cannot be obtained at the rents which people can pay. In spite of the relaxation of the standard a lay-out can be obtained which is proper, seemly and good.

11.18 p.m.

Mr. HICKS: I beg to move, as an Amendment to the proposed Amendment, at the end, to add the words:

> "and
>
> (*c*) make provision for securing that in the case of houses to be built a fair-wages clause which complies with the requirements of any Resolution of the House of Commons applicable to contracts of Government Departments and for the time being in force, is inserted in all contracts or agreements for advances between the society and its members, and in all contracts for the construction of the houses."

I was very pleased to hear the Minister agree to accept the Amendment of the hon. Baronet the Member for South-West Bethnal Green (Sir P. Harris). I am encouraged to think that he will also agree to accept the Amendment to the proposed Amendment, which is a serious proposition and one which I think the Committee will be well advised to accept. Apparently there are no provisions in the Bill for fair wages to be recognised in the construction of the houses. The history of the struggle for a standard rate of wage is a very long one.

I hope that in this Bill we shall have some provision to carry out what has been the recognised practice in regard to the wages and conditions usually observed between good employers and trade unions, or, where there is no organisation, the wages and conditions applied by the best type of employer in a district. The old theory of long hours and low wages has proved uneconomic and has been found by experience to minimise the capacity for production and injure the health and physique of the workers. I hope that we shall take advantage of the experience gained in a great industrial country like ours and that in this legislation we shall recognise a principle which has been established for many years and has become a part of the fabric of our social and industrial life. As I hope that the Minister is not unwilling to give this proposal his consideration, I shall not at present go further into the arguments in favour of it.

The CHAIRMAN: I think that it would be better, first to dispose of the

Amendment in the name of the hon. Member for South-West Bethnal Green (Sir P. Harris) and, if it is accepted by the Committee, the hon. Member for East Woolwich (Mr. Hicks) can then move to add the words which he has indicated.

11.22 p.m.

Lord E. PERCY: Perhaps the Committee will allow me to make a protest, even if it is only a solitary protest, against putting into the Bill words of the kind suggested by the hon. Member for South-West Bethnal Green (Sir P. Harris). The first part of his Amendment provides that the Minister may direct that information shall be given in a certain form. Of course if the Minister has to approve of proposals, he can make that approval conditional on having the information submitted to him. The second part says that the Minister shall make provision for securing certain things

"except in so far as the Minister may in any particular case dispense with the requirements of this paragraph."

I am not going to return to the argument about private enterprise. It may be efficient or inefficient. It may require the strictest control exercised by the law of the land and the Minister over all its operations. But to pursue the course of putting up a most imposing-looking and menacing paling and then saying, "My dear fellow, you need not mind. It is only cardboard and not wood after all"—that is a degrading business for this House to engage in and I protest against it.

11.24 p.m.

Sir J. WALKER SMITH: I entirely agree with the protest which has just been made. There seems to be an almost insatiable desire to impose restrictions and to secure control and this Amendment represents a further endeavour to prevent anyone endeavouring to build any houses under this Clause. It is entirely unnecessary. I doubt if there will be very much done under the provisions of this Clause. Certainly, if there are many more efforts to impose additional control and further restrictions, the Clause will prove a complete fallacy. No one will do anything at all under it.

The CHAIRMAN: I think the hon. Member had better reserve these remarks until we come to the Question "That the Clause stand part."

Amendment agreed to.

11.26 p.m.

Mr. HICKS: I beg to move, in page 2, line 20, after the words last inserted, to insert the words:

"and

(*c*) make provision for securing that in the case of houses to be built a fair-wages Clause which complies with the requirements of any Resolution of the House of Commons applicable to contracts of Government Departments, and for the time being in force, is inserted in all contracts or agreements for advances between the society and its members, and in all contracts for the construction of the houses."

I will move that formally.

11.26 p.m.

Sir H. YOUNG: On this matter of a fair wages clause, there is no intention at all on the part of the Government of making any breach in the defences of that clause or any departure from the principles accepted by the House, which, as we know, are embraced in a famous Resolution of the House. The question is of their proper adaptation to the actual business which we have now in contemplation. The wording of the Amendment presents difficulties, because it refers to contracts, and, as a matter of fact, in many cases there will be no contracts at all in which the fair wages clause can be inserted. It will simply be a case of the builder constructing houses for himself, so that we must look for some other method of doing what we want to do. Again, I would remind the Committee that it has never been the practice of this House to enact the insertion of the fair wages clause in contracts other than those made actually by public authorities. Here we have no contracts made actually by public authorities.

I have been looking to see what the precedents are for the way in which the clause is made as operative as possible under these conditions, and I find that the most appropriate precedent is in the Circular of the 2nd September, 1911. That is a Circular issued by the Local Government Board, in which the strongest possible emphasis was placed upon this clause and the strongest possible recommendation given to local

[Sir H. Young.]

authorities to embody the clause in their contracts. I suggest to the hon. Member that, instead of dealing with the matter in the way proposed by the Amendment, which cannot be done on account of the absence of contracts, we should deal with it, on the precedent of that Circular, by my making now the statement that I will address a similar Circular to local authorities for the same purpose and to the same effect as the Circular of September, 1911, in order to exercise the best influence that can be exercised to maintain the operation of the fair wages clause.

11.29 p.m.

Mr. HICKS: While thanking the Minister for saying what he has, I am hopeful that, before finally disposing of this matter, he will be able to agree to make it still further effective than it would be made by despatching the Circular, which is very important. There is the case which occurs to my mind wherein a builder, in an arrangement between himself and a building society, borrows the money and builds, and there is no contract. It was to meet that case that the words of the Amendment were specially designed. Unless something of this kind is done the best employers will be greatly handicapped, and the work will go to the jerrybuilders who, in the main, disregard the best conditions of labour. Unless provision is made for the observance of fair wages and conditions, the Minister will have diluted labour. That means diluted houses, and the complaint as to
demarcation and bad workmanship w
express itself in many directions. V
know the type of person who thinks th
the building industry offers opportuniti
not offered by other industries. A m
wins a cross-word puzzle and sets up
a builder, violating all the conditio
that have been recognised in the indu
try. We want to eliminate that type
person. I hope, therefore, that t
Minister will see his way clear to mal
the observance of the fair wages clau
more certain than it will be by a circul
to the authorities, for, however stro
the moral appeal of a circular, it w
not be sufficient.

11.32 p.m.

Mr. McENTEE: Would it not be po
sible between now and the Report stag
to reconsider the wording of the Amen
ment? There is a provision in an earli
Act similar to this, and I am sure tha
if the Minister agrees to the gener
principle behind the Amendment, he ca
easily frame a form of words that woul
meet the situation. The issue of a circu
lar is perhaps a good thing, but it do
not bind anybody. It might be observe
by builders of the best type, but unfo
tunately there is a set of people wh
cannot be trusted to do anything dece
if there is a possibility of getting a
extra shilling by doing otherwise. Th
is the type against whom we want t
guard the good builder.

Question put, "That those words b
there inserted."

The Committee divided: Ayes, 34
Noes, 142.

Division No. 59.] AYES. [11.35 p.m.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Batey, Joseph
Bevan, Aneurin (Ebbw Vale)
Brown, C. W. E. (Notts., Mansfield)
Cape, Thomas
Cocks, Frederick Seymour
Cripps, Sir Stafford
Daggar, George
Davies, David L. (Pontypridd)
Edwards, Charles
Greenwood, Rt. Hon. Arthur
Grenfell, David Rees (Glamorgan)
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Hicks, Ernest George
Jones, Morgan (Caerphilly)
Lansbury, Rt. Hon. George
Lawson, John James
Logan, David Gilbert
Lunn, William
McEntee, Valentine L.
Maclean, Neil (Glasgow, Govan)
Milner, Major James
Nathan, Major H. L.
Parkinson, John Allen
Price, Gabriel
Rathbone, Eleanor
Salter, Dr. Alfred
Smith, Sir Jonah W. (Barrow-in-F.
Tinker, John Joseph
Williams, Edward John (Ogmore)
Williams, Thomas (York, Don Valle

TELLERS FOR THE AYES.-
Mr. Duncan Graham and Mr.
Gordon Macdonald.

NOES.

Acland-Troyte, Lieut.-Colonel
Albery, Irving James
Aske, Sir Robert William
Balniel, Lord
Banks, Sir Reginald Mitchell
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Bird, Ernest Roy (Yorks., Skipton)
Borodale, Viscount
Bossom, A. C.
Bowyer, Capt. Sir George E. W.
Braithwaite, J. G. (Hillsborough)
Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Brig.-Gen. H. C. (Berks., Newb'y)
Browne, Captain A. C.
Buchan-Hepburn, P. G. T.
Burghley, Lord
Butt, Sir Alfred
Campbell, Edward Taswell (Bromle
Caporn, Arthur Cecil
Castlereagh, Viscount
Chorlton, Alan Ernest Leofric
Christie, James Archibald
Colfox, Major William Philip

onant, R. J. E.
ooke, Douglas
raven-Ellis, William
ulverwell, Cyril Tom
avies, Maj. Geo. F.(Somerset,Yeovil)
onner, P. W.
rewe, Cedric
uckworth, George A. V.
uncan, James A. L. (Kensington, N.)
dge, Sir William
lliston, Captain George Sampson
mmott, Charles E. G. C.
rskine, Lord (Weston-super-Mare)
ssenhigh, Reginald Clare
verard, W. Lindsay
ielden, Edward Brocklehurst
ox, Sir Gifford
remantle, Sir Francis
luckstein, Louis Halle
oldie, Noel B.
oodman, Colonel Albert W.
raham, Sir F. Fergus (C'mb'rl'd, N.)
raves, Marjorie
riffith, F. Kingsley (Middlesbro', W.)
uinness, Thomas L. E. B.
unston, Captain D. W.
uy, J. C. Morrison
acking, Rt. Hon. Douglas H.
anbury, Cecil
annon, Patrick Joseph Henry
eilgers, Captain F. F. A.
eneage, Lieut.-Colonel Arthur P
oldsworth, Herbert
ornby, Frank
ckson, Sir Henry (Wandsworth, C.)
ohnston, J. W. (Clackmannan)
ohnstone, Harcourt (S. Shields)
ones, Sir G. W. H. (Stoke New'gton)
er, J. Campbell
amb, Sir Joseph Quinton
aw, Richard K. (Hull, S.W.)
Leech, Dr. J. W.
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Levy, Thomas
Liddall, Walter S.
Lindsay, Noel Ker
Llewellin, Major John J.
Lockwood, John C. (Hackney, C.)
Loder, Captain J. de Vere
MacAndrew, Lieut.-Col. C. G.(Partick)
McEwen, Captain J. H. F.
McKeag, William
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Macmillan, Maurice Harold
Magnay, Thomas
Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. R.
Mayhew, Lieut.-Colonel John
Mills, Major J. D. (New Forest)
Mitcheson, G. G.
Molson, A. Hugh Elsdale
Morris-Jones, Dr. J. H. (Denbigh)
Muirhead, Major A. J.
Nation, Brigadier-General J. J. H.
Nunn, William
Oman, Sir Charles William C.
Palmer, Francis Noel
Pearson, William G.
Percy, Lord Eustace
Perkins, Walter R. D.
Petherick, M.
Peto, Geoffrey K. (W'verh'pt'n, Bilston)
Potter, John
Ramsay, T. B. W. (Western Isles)
Rankin, Robert
Ratcliffe, Arthur
Ray, Sir William
Rea, Walter Russell
Reid, James S. C. (Stirling)
Reid, William Allan (Derby)
Renwick, Major Gustav A.
Roberts, Sir Samuel (Ecclesall)
Robinson, John Roland
Ropner, Colonel L.
Rosbotham, Sir Samuel
Russell, Albert (Kirkcaldy)
Russell, Alexander West (Tynemouth)
Rutherford, Sir John Hugo (Liverp'l)
Salmon, Sir Isidore
Salt, Edward W.
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Savery, Samuel Servington
Selley, Harry R.
Shakespeare, Geoffrey H.
Shaw, Captain William T. (Forfar)
Skelton, Archibald Noel
Southby, Commander Archibald R. J.
Stanley, Lord (Lancaster, Fylde)
Storey, Samuel
Stourton, Hon. John J.
Sueter, Rear-Admiral Murray F.
Sugden, Sir Wilfrid Hart
Sutcliffe, Harold
Thomson, Sir Frederick Charles
Titchfield, Major the Marquess of
Turton, Robert Hugh
Vaughan-Morgan, Sir Kenyon
Wells, Sydney Richard
Weymouth, Viscount
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Wilson, Clyde T. (West Toxteth)
Wise, Alfred R.
Womersley, Walter James
Young, Rt. Hon. Sir Hilton (S'v'oaks)

TELLERS FOR THE NOES.—Sir Victor Warrender and Captain Austin Hudson.

1.43 p.m.

Mr. C. BROWN: I beg to move, in age 2, line 20, after the words last inerted, to insert the words:

> and
>
> (c) make provision for securing that the houses are or will be fitted with modern requirements and at least equal in hygienic standards to houses built in accordance with the provisions of the Housing, etc., Act, 1923, or the Housing (Financial Provisions) Act, 1924."

The purpose of this Amendment is to ry to maintain the standards which have lready been set up in municipal houses ubsidised by the State. It is necessary hat some such words as these should e inserted because of what has already een said by the Minister. Apparently, part from the minimum size of the ouses, we have no guarantee about ecent size, or density, after what has appened on the Amendment to which hese words are to be added, and we ave no guarantee on the question of ents. In the absence of all these real uarantees we feel that these words are ecessary, in order that the amenities nd hygienic standards of subsidised ouses may be preserved in this advenure on which private enterprise is being asked by the Government to embark. Those of us who have put down this Amendment, and all who sit on these benches, have in mind the preservation of certain standards which have come into existence relatively recently. We are thinking of certain kinds of interior fittings like cupboards and what are sometimes called dressers, of proper ventilation, decent skirting boards, picture rails, and so on. We do not want houses which are merely four brick walls, on some parts of which there is not even plastering. We want houses that are really worthy of the name. If we are merely going to turn this matter over to private enterprise in the way suggested by the Government, and to give that freedom in regard to the whole matter to which I have already referred in connection with size, density and rents, many of the things to which we have become accustomed are likely to go, and there is every reason to believe that other things will go too. Consequently, the insertion of some such words as these is necessary at this place.

11.47 p.m.

Mr. SHAKESPEARE: We all want the best standard of houses that we can get,

[Mr. Shakespeare.]

but I assure the hon. Member that the things of which he has spoken would not be covered by his Amendment. He has already all the things that it covers, with one exception. There is already provision for a minimum floor space, and on the question of density. The only other hygienic standard under the Acts of 1923 and 1924 is in relation to baths, and that we are going to discuss in a moment on the next Amendment.

11.48 p.m.

Mr. HICKS: I should like to ask the hon. Gentleman whether there is complete provision in the Bill so far as cubic air space is concerned. Sometimes, with a view to economy, the roof is brought down into the bedrooms instead of being kept out of them. You may have the standard floor space, but it is necessary also to have a guarantee as to the height of the ceilings on the ground floor and on the bedroom floor, so that the cubic air space may be maintained, and it appears to me that that point is not covered.

The CHAIRMAN: I ought to have warned the hon. Gentleman that I do not propose to call the next Amendment.

11.49 p.m.

Sir P. HARRIS: I have been struggling all the evening, on Clause 2, to get the spirit of the Act of 1923 into this Measure. I remember the tremendous fight that we had then for the very modest requirement of a fixed bath. I do not think that the hon. Gentleman was in the House at that time, but we certainly converted the then Minister of Health, who is now Chancellor of the Exchequer, and the bath has become a sort of symbol of civilisation. It may be that some people regard baths as a luxury, but I regard them as a necessity. I want the Parliamentary Secretary, as a symbol of his administration at the Ministry of Health, to get baths into this Bill somehow or other, so that every house that comes into being under the Bill may have that very pleasant amenity, a real bath.

11.50 p.m.

Mr. GREENWOOD: I understood the Parliamentary Secretary to say that the Minister was prepared to accept this Amendment.

The CHAIRMAN: I do not think said anything of the kind. Otherwise should not have said what I said.

Mr. SHAKESPEARE: What I sa was that hon. Gentlemen have alread got nine-tenths of what they want. Th only thing that they have not got is th bathroom. I agree that we should a like to see them provided everywher but there are cases where you cannot d it. I could give one case in a rural are where you could not give a bath, becaus if you did, you would have no water t put into it. [HON. MEMBERS: "Where?" In a rural area. Obviously, with suc exceptions, these houses will have bath because a local authority would no guarantee houses unless they are al of a decent standard and with a bath In such exceptional cases in a rura area you cannot put in a bath, fo if you do you cannot get water in i because there is no water laid on. Tha is why we cannot accept this Amend ment in this form. As hon. Gentleme have already got nine-tenths of what the want, I hope that they will not press th Amendment.

11.52 p.m.

Mr. GREENWOOD: I really do no wish to describe a bathroom as a rec herring, and our Amendment may be entirely wrong and may have no point, but I suggest that the Parliamentary Secretary, by raising this question of the bath, is dealing with an entirely different point. It may be competent for him to argue that this Amendment is absurd and ridiculous and that by the good will of the Minister we have got nine-tenths of what we want, but there is nothing in this which deals with the question of baths. I suggest that the Parliamentary Secretary is really not dealing with the Amendment at all, but is trying to prepudice the case for the next Amendment.

The CHAIRMAN: The right hon. Gentleman is now dealing with the question of water, and, in these circumstances, I must rule that the Parliamentary Secretary was in order, because in my opinion the insertion of a bath in most houses is in accordance with modern requirements.

11.53 p.m.

Mr. LEVY: I only intervene because I think the Parliamentary Secretary has admitted the inadequacy of the water supply. Therefore, I say that it is time that we had an adequate water supply in all these areas, whether for building or for any other purpose. It is not unreasonable to ask that we should have an adequate water supply and that the provision of bathrooms in any houses should not be ruled out because of the inadequacy of the water supply.

Mr. JOHNSTONE: The Parliamentary Secretary's argument is a most extraordinary one. It is that you cannot insert these words because there are areas in the country in rural districts in which, because there is an inadequate water supply, it would be of no use to fix baths in houses. The Clause to which this is an addition does not pretend to deal with rural areas at all. This is a Bill to provide houses, not for agricultural labourers, but in urban districts. As my right hon. Friend the Member for North Cornwall (Sir F. Acland) pointed out in his speech earlier in the afternoon, building societies in rural areas are unheard of, and nobody knows what they mean. There is not the slightest idea that building societies will be called upon to advance money for building, by private enterprise, houses to house the agricultural labourer. They cannot do it at a price at which agricultural labourers can hire the houses, and the intention of the Bill is not that houses should be provided under it for that purpose at all. The purpose of the Bill is that houses should be provided at approximately 12s. rent in urban areas where the whole question of the water supply is solved. There is a water supply and there is not the slightest reason why provision for a fixed bath should not be inserted in the Clause. I cannot believe there is a single Member of the Committee who thinks the hon. Gentleman's reason an adequate one. I agree with my hon. Friend the Member for Bethnal Green (Sir P. Harris) that we should as far as possible preserve the standard that this House set up in 1923 and 1924. There is not the slightest doubt that even during these 10 years a bathroom has become a genuine necessity and not, as it was to some extent in some areas, a luxury. Even in rural areas tenants are now asking their landlords to insert baths, having learnt from others and from their own experience that the possession of a bathroom is practically a necessity of life. If the Minister will speak on the Amendment, I feel sure he will give us more satisfaction, because he must know that the Bill is not intended to apply to rural areas at all, and that in urban areas a fixed bath is an obvious necessity. To omit it from the Bill will tend to degrade the general standard of housing, which I am sure he wishes to preserve as much as any of us.

11.59 p.m.

Mr. GREENWOOD: The Parliamentary Secretary is getting deeper and deeper into difficulties. He said nine-tenths of the difficulty had been met, the other tenth being the bath. That is his standard of values. Then we are told it will be all right because of the guarantees. I do not believe in the slightest degree in the effectiveness of the guarantees. This Bill will not work unless the private builder gets his way. The private builders' view of what the working class family needs is not the view of enlightened Members of this House. Master builders think houses 40 to the acre are excellent. They do not agree with the hon. Member for South Shields (Mr. Johnstone) that people need to wash themselves all over at one time.

There is an illustration of this point of view. It is a matter which has been fought out on the Floor of the House of Commons. If I remember rightly—I have not looked up the Debates—in the Housing Bill of 1923 we had a struggle to get a fixed bath. I remember that some of us who sat upon this side of the House then and many hon. Gentlemen who sat upon the opposite side fought against those who were very reluctant to admit the common right of mankind living in civilised dwellings to have a fixed bath. I did not agree with that view of the fixed bath at the time, and we know now that there are thousands of houses up and down the country where the fixed bath is put into the scullery or below the kitchen hearth, and, in some cases, even in an outhouse. In 1924 I remember that we kept the House very late one night, long after 11 o'clock, when an hon. Member, who is now a member of the House of Lords, fought the proposal that the fixed bath should be in a bathroom. A revolution! We kept the House for two hours debating the simple point as to whether the fixed bath should be in a bathroom. In 1924

[Mr. Greenwood.]

we insisted upon getting rid of the abomination of a bathroom which was also a scullery, kitchen and a living room. It has been imposed since 1924 in the case of every house built under any kind of housing. Now we are to rely upon a guarantee. I suggest that this is not good enough. It is on record that the people who will build these houses and who will get the guarantees from the building societies—and I am bound to say that in this matter, as regards amenities, I do not trust either the building societies or the Minister, unless he gives us his word in writing in the Bill—will interfere with these amenities. I am bound to say that those things are now to go.

It is very reasonable to suggest that, if there is to be any shadow of a State or a municipal guarantee, or any kind of public recognition of the houses being built, they should conform to modern standards, one of the most elementary of them being the one-tenth of which the Parliamentary Secretary is in doubt. If there is any shadow of public responsibility the question, not merely of a fixed bath, but of a fixed bath in a bathroom, ought to be admitted in all houses. If that is not done, what will happen? The right hon. Gentleman has complained that he could not keep an eye on the rents of all the houses built for all tim Is he going to keep an eye at all on th houses which are to be built? Of cours he is not, unless there is some leg sanction which will establish quite de nitely that houses shall conform to definite standard. I hope that the Cor mittee will not agree to the propositi to leave to the whim of speculati builders, with company promoters in th background, through the Minister, th understandings and possible guarantee and will not allow the particular abus which the hon. Member for South Shiel (Mr. Johnstone) has mentioned to asse itself. A fixed bath—and I would sa in a bathroom—is an essential t civilised life. If the Amendment is r jected, however badly it may be worde the Committee will have missed the poi raised by the Parliamentary Secretary I cannot think that this House, afte the struggles in 1923 and 1924, even wit this reversion to private enterprise, i going back. What was fought for i 1923 and 1924 ought to be good enoug to-day and I hope that hon. Member will follow us into the Lobby in suppor of the Amendment.

Question put, "That those words b there inserted."

The Committee divided: Ayes, 40 Noes, 135.

Division No. 60.] AYES. [12.6 a.m.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Bevan, Aneurin (Ebbw Vale)
Brown, C. W. E. (Notts., Mansfield)
Cape, Thomas
Cocks, Frederick Seymour
Cripps, Sir Stafford
Curry, A. C.
Daggar, George
Davies, David L. (Pontypridd)
Edwards, Charles
Greenwood, Rt. Hon. Arthur
Grenfell, David Rees (Glamorgan)
Griffith, F. Kingsley (Middlesbro', W.)
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Harris, Sir Percy
Hicks, Ernest George
Holdsworth, Herbert
Janner, Barnett
Johnstone, Harcourt (S. Shields)
Jones, Morgan (Caerphilly)
Lansbury, Rt. Hon. George
Lawson, John James
Logan, David Gilbert
Lunn, William
McEntee, Valentine L.
McKeag, William
Maclean, Neil (Glasgow, Govan)
Mallalieu, Edward Lancelot
Milner, Major James
Nathan, Major H. L.
Parkinson, John Allen
Price, Gabriel
Rathbone, Eleanor
Rea, Walter Russell
Tinker, John Joseph
Williams, Edward John (Ogmore)
Williams, Thomas (York, Don Valley

TELLERS FOR THE AYES.—
Mr. Gordon Macdonald and Mr.
Duncan Graham.

NOES.

Acland-Troyte, Lieut.-Colonel
Agnew, Lieut.-Com. P. G.
Albery, Irving James
Aske, Sir Robert William
Balniel, Lord
Banks, Sir Reginald Mitchell
Beaumont, Hon. R.E.B. (Portsm'th, C.)
Bird, Ernest Roy (Yorks., Skipton)
Blindell, James
Borodale, Viscount
Bowyer, Capt. Sir George E. W.
Braithwaite, J. G. (Hillsborough)
Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Brig.-Gen. H. C. (Berks., Newb'y)
Browne, Captain A. C.
Buchan-Hepburn, P. G. T.
Burghley, Lord
Burnett, John George
Butt, Sir Alfred
Campbell, Edward Taswell (Bromley)
Caporn, Arthur Cecil
Carver, Major William H.
Castlereagh, Viscount
Chapman, Col. R. (Houghton-le-Spring)
Chorlton, Alan Ernest Leofric
Christie, James Archibald
Colfox, Major William Philip
Conant, R. J. E.
Cooke, Douglas
Culverwell, Cyril Tom
Donner, P. W.
Drewe, Cedric
Duckworth, George A. V.
Duncan, James A. L. (Kensington, N.
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Everard, W. Lindsay
Fielden, Edward Brocklehurst
Fox, Sir Gifford
Fremantle, Sir Francis
Gluckstein, Louis Halle
Goldie, Noel B.
Goodman, Colonel Albert W.
Guinness, Thomas L. E. B.

Gunston, Captain D. W.
Guy, J. C. Morrison
Hacking, Rt. Hon. Douglas H.
Hanley, Dennis A.
Hannon, Patrick Joseph Henry
Heilgers, Captain F. F. A.
Hudson, Capt. A. U. M. (Hackney, N.)
Johnston, J. W. (Clackmannan)
Jones, Sir G. W. H. (Stoke New'gton)
Ker, J. Campbell
Lamb, Sir Joseph Quinton
Law, Richard K. (Hull, S.W.)
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Levy, Thomas
Liddall, Walter S.
Lindsay, Noel Ker
Llewellin, Major John J.
Lockwood, John C. (Hackney, C.)
Loder, Captain J. de Vere
MacAndrew, Lt.-Col. C. G. (Partick)
McEwen, Captain J. H. F.
McKie, John Hamilton
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Macmillan, Maurice Harold
Magnay, Thomas
Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. R.
Mayhew, Lieut.-Colonel John
Mills, Major J. D. (New Forest)
Molson, A. Hugh Elsdale
Muirhead, Major A. J.
Nation, Brigadier-General J. J. H.
Nunn, William
O'Donovan, Dr. William James
Palmer, Francis Noel
Pearson, William G.
Perkins, Walter R. D.
Petherick, M.
Peto, Geoffrey K. (W'verh'pt'n, Bilst'n)
Pickford, Hon. Mary Ada
Potter, John
Raikes, Henry V. A. M.
Ramsay, T. B. W. (Western Isles)
Rankin, Robert
Ratcliffe, Arthur
Ray, Sir William
Reid, James S. C. (Stirling)
Reid, William Allan (Derby)
Renwick, Major Gustav A.
Roberts, Sir Samuel (Ecclesall)
Robinson, John Roland
Ropner, Colonel L.
Runge, Norah Cecil
Russell, Albert (Kirkcaldy)
Russell, Alexander West (Tynemouth)
Rutherford, Sir John Hugo (Liverp'l)
Salmon, Sir Isidore
Salt, Edward W.
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Savery, Samuel Servington
Scone, Lord
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Shaw, Captain William T. (Forfar)
Skelton, Archibald Noel
Smith, Sir Jonah W. (Barrow-in-F.)
Southby, Commander Archibald R. J.
Stanley, Lord (Lancaster, Fylde)
Storey, Samuel
Stourton, Hon. John J.
Sueter, Rear-Admiral Murray F.
Sugden, Sir Wilfrid Hart
Sutcliffe, Harold
Titchfield, Major the Marquess of
Turton, Robert Hugh
Vaughan-Morgan, Sir Kenyon
Ward, Lt.-Col. Sir A. L. (Hull)
Warrender, Sir Victor A. G.
Wells, Sydney Richard
Weymouth, Viscount
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Wilson, Clyde T. (West Toxteth)
Wise, Alfred R.
Womersley, Walter James
Young, Rt. Hon. Sir Hilton (S'v'noaks)

TELLERS FOR THE NOES.—
Major George Davies and Dr. Morris-Jones.

Question put, "That the Clause, as amended, stand part of the Bill."

The Committee divided: Ayes, 142; Noes, 25.

Division No. 61.] AYES. [12.15 a.m.

Acland-Troyte, Lieut.-Colonel
Agnew, Lieut.-Com. P. G.
Albery, Irving James
Aske, Sir Robert William
Balniel, Lord
Banks, Sir Reginald Mitchell
Beaumont, Hon. R.E.B. (Portsm'th, C.)
Bird, Ernest Roy (Yorks., Skipton)
Blindell, James
Borodale, Viscount
Braithwaite, J. G. (Hillsborough)
Broadbent, Colonel John
Brocklebank, C. E. R.
Browne, Captain A. C.
Buchan-Hepburn, P. G. T
Burghley, Lord
Burnett, John George
Butt, Sir Alfred
Campbell, Edward Taswell (Bromley)
Caporn, Arthur Cecil
Carver, Major William H.
Castlereagh, Viscount
Chapman, Col. R. (Houghton-le-Spring)
Chorlton, Alan Ernest Leofric
Christie, James Archibald
Colfox, Major William Philip
Conant, R. J. E.
Cooke, Douglas
Culverwell, Cyril Tom
Curry, A. C.
Donner, P. W.
Drewe, Cedric
Duckworth, George A. V.
Duncan, James A. L. (Kensington, N.)
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Everard, W. Lindsay
Fielden, Edward Brocklehurst
Fox, Sir Gifford
Fremantle, Sir Francis
Gluckstein, Louis Halle
Goldie, Noel B.
Goodman, Colonel Albert W.
Griffith, F. Kingsley (Middlesbro', W.)
Guinness, Thomas L. E. B.
Gunston, Captain D. W.
Guy, J. C. Morrison
Hacking, Rt. Hon. Douglas H.
Hanley, Dennis A.
Hannon, Patrick Joseph Henry
Harris, Sir Percy
Heilgers, Captain F. F. A.
Holdsworth, Herbert
Horsbrugh, Florence
Hudson, Capt. A. U. M. (Hackney, N.)
Janner, Barnett
Johnston, J. W. (Clackmannan)
Johnstone, Harcourt (S. Shields)
Jones, Sir G. W. H. (Stoke New'gton)
Ker, J. Campbell
Lamb, Sir Joseph Quinton
Law, Richard K. (Hull, S.W.)
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Levy, Thomas
Liddall, Walter S.
Lindsay, Noel Ker
Llewellin, Major John J.
Lockwood, John C. (Hackney, C.)
Loder, Captain J. de Vere
MacAndrew, Lt.-Col C. G. (Partick)
McEwen, Captain J. H. F.
McKeag, William
McKie, John Hamilton
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Macmillan, Maurice Harold
Magnay, Thomas
Mallalieu, Edward Lancelot
Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. R.
Mayhew, Lieut.-Colonel John
Mills, Major J. D. (New Forest)
Mitchell, Harold P. (Br'tf'd & Chisw'k)
Molson, A. Hugh Elsdale
Morris-Jones, Dr. J. H. (Denbigh)
Muirhead, Major A. J.
Nation, Brigadier-General J. J. H.
Nunn, William
O'Donovan, Dr. William James
Palmer, Francis Noel
Pearson, William G.
Perkins, Walter R. D.
Petherick, M.
Peto, Geoffrey K. (W'verh'pt'n, Bilston)
Pickford, Hon. Mary Ada
Raikes, Henry V. A. M.
Ramsay, T. B. W. (Western Isles)
Rankin, Robert
Ratcliffe, Arthur
Ray, Sir William
Rea, Walter Russell
Reid, James S. C. (Stirling)
Reid, William Allan (Derby)
Renwick, Major Gustav A.
Roberts, Sir Samuel (Ecclesall)
Robinson, John Roland
Ropner, Colonel L
Runge, Norah Cecil
Russell, Albert (Kirkcaldy)
Russell, Alexander West (Tynemouth)
Rutherford, Sir John Hugo (Liverp'l)
Salmon, Sir Isidore
Salt, Edward W.
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Savery, Samuel Servington
Scone, Lord
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Shaw, Captain William T. (Forfar)
Skelton, Archibald Noel
Smith, Sir Jonah W. (Barrow-in-F.)
Southby, Commander Archibald R. J.
Stanley, Lord (Lancaster, Fylde)
Storey, Samuel
Stourton, Hon. John J.
Sueter, Rear-Admiral Murray F.
Sugden, Sir Wilfrid Hart
Sutcliffe, Harold
Titchfield, Major the Marquess of
Vaughan-Morgan, Sir Kenyon
Ward, Lt.-Col. Sir A. L. (Hull)
Warrender, Sir Victor A. G.
Wells, Sydney Richard
Weymouth, Viscount
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Wilson, Clyde T. (West Toxteth)
Wise, Alfred R.
Womersley, Walter James
Young, Rt. Hon. Sir Hilton (S'v'oaks)

TELLERS FOR THE AYES.—
Captain Sir George Bowyer and Major George Davies.

NOES.

Adams, D. M. (Poplar, South)
Banfield, John William
Bevan, Aneurin (Ebbw Vale)
Brown, C. W. E. (Notts., Mansfield)
Cape, Thomas
Cocks, Frederick Seymour
Cripps, Sir Stafford
Daggar, George
Davies, David L. (Pontypridd)
Edwards, Charles
Greenwood, Rt. Hon. Arthur
Hall, F. (York, W.R., Normanton)
Hicks, Ernest George
Lansbury, Rt. Hon. George
Lawson, John James
Logan, David Gilbert
Lunn, William
McEntee, Valentine L.
Maclean, Neil (Glasgow, Govan)
Milner, Major James
Parkinson, John Allen
Price, Gabriel
Tinker, John Joseph
Williams, Edward John (Ogmore)
Williams, Thomas (York, Don Valle

TELLERS FOR THE NOES.—
Mr. Gordon Macdonald and Mr
Duncan Graham.

Clause 3 (*Citation and extent*), ordered to stand part of the Bill.

NEW CLAUSE.—(*Applicants with families.*)

Any proposal made by a local authority to the Minister for a guarantee under Section 2 of this Act shall provide that applicants with families shall have precedence in allocating houses, and no reimbursement shall be made under Section 2 of this Act unless such provision shall have been carried out.—[*Sir P. Harris.*]

Brought up, and read the First time.

12.22 a.m.

Sir P. HARRIS: I beg to move, "That the Clause be read a Second time."

This proposed New Clause embodies an important principle, especially when we have to deal with private enterprise. The real struggle in housing matters is to provide houses for families. Unfortunately, it very often happens that, because of the conditions imposed by a landlord, houses are let to households without children. Everybody knows that there is a tendency to give preference to the small family or to applicants with no families. I appreciate that there might be administrative difficulties, but I hope that it may be possible for the right hon. Gentleman to give us an assurance that he has already worked out the possibility of making regulations to carry out the purpose that I have in mind.

My trouble is that I do not see that the Minister, under the present wording of the Bill, has any way of "following up" the houses. After they have been constructed and the building societies have given the financial assistance, the houses, as far as I can see, pass out of the ken of the Ministry of Health and of the local authorities. There is certainly no security in the wording of the Bill that applicants with families should occupy the houses, and the proposed New Clause is an attempt to provide such security. If I can get a promise from the Minister that there will be some kind of machinery for securing this purpose I do not propose to press the Clause.

12.24 a.m.

Sir H. YOUNG: I should like my fina gesture to-night to be one of assent and not of dissent, but I am afraid that in this case I can only try to make what must, fundamentally, be a gesture of dissent as much like a gesture of assent as I can. Every hon. Member will sympathise with the intention of the hon. Baronet, which is that the houses ought to be as fully occupied as can be. He asks what assurance I can give him. I think the practical assurance that will be satisfactory to the hon. Baronet is that, in considering the conditions of the demand, and the nature of the satisfaction of the demand as specified in the application for guarantee, the Minister will look to the fulfilment of the purpose that the houses shall be as fully occupied as possible and that accommodation shall be found for large families. Unless these useful purposes are served by the houses that it is proposed to build under the guarantee, the assistance contained in the guarantee will not be provided. That is as far as it is possible to go, within the structure of the present Bill.

The proposed clause itself might be amended because, as the hon. Baronet proposes it, it renders itself liable to some of those strictures already cited by the Noble Lord, the Member for Hastings (Lord E. Percy), and it could not amount to anything practical in administration. In our administration it has been found impossible to impose a condition in the manner in which this clause suggests. *A fortiori*, it would be impossible to impose it in the case of the present Bill. That is the practical assurance that I can give the hon. Baronet as to the spirit of the administration.

12.27 a.m.

Mr. GREENWOOD: I cannot accept the right hon. Gentleman's spirit and his

ssurances. They are an indication to
he Committee of the difference of prin-
iple between the right hon. Gentleman
nd his supporters, on the one hand, and
ome of us on these benches. There must
e a certain standard of public honour
nd of public spirit in the building in-
erests. The right hon. Gentleman,
aving to choose between housing being
arried on under the eye of public
uthorities, and by private enterprise,
hooses private enterprise, and then de-
ends his position by saying, "Well, in
iew of the circumstances, I cannot
uarantee that the houses will be let and
ill conform to certain standards, or
hat they shall be let to people of a par-
icular kind." There is an adminis-
rative difficulty. Houses that were
uilt by the local authorities under the
cts of 1923 and 1924, except those that
ere built for sale under the 1923 Act,
emain under the public authority. It
ay be that they are not able to live up
o the standards of 1924, but where there
s a sense of responsibility there is the
ndeavour to do so.

The right hon. Gentleman is going to
ive some guarantees at a small cost to
is Department and to the Exchequer and
s going to launch houses built by private
nterprise. Once those houses are built,
e is finished with them. It is that kind
f thing that has been one of the causes
f our difficulties to-day. Even if we
gree that all the houses used to be built
y private enterprise, it remains true that
f they had been under effective public
ontrol the housing problem to-day would
ot be so serious as it is. The right hon.
entleman is going to let loose this un-
estricted private enterprise again,
ithout any vestige of control. He tells
he hon. Baronet that their intentions
re the same. I cannot agree. Unless I
isunderstood the hon. Baronet, he wants
o see the houses fully occupied. One
f the difficulties is that houses are much
o fully occupied. There is no guarantee
n this Bill that the houses are to be
uilt in accordance with local require-
ents. You need a number of houses
or aged persons; you need a number of
mall houses for those who prefer non-
arlour houses, and who would prefer to
pend their money on other luxuries.
You need a number of houses for those who prefer parlour houses, and people with large families who desire a house of the maximum size allowed by the law. Under this Bill there is no guarantee that you are going to get any such thing at all.

Unless there is some kind of restriction, the chances are that the builders will build the smallest, cheapest and meanest type of house, knowing quite well that they will be able to let them to families much too large for houses of that kind. I know that there are difficulties in the way of administration, difficulties not created by those on this side of the House, but by the Minister who has sold the pass in this business. In spite of these difficulties, there ought to be some legislative provision that the smallest type of house is not going to be the standard type of house. There should be provision for houses of larger size. I hope that the hon. Baronet will stand by his Clause. The Minister having given away almost every vestige of control, we ought to stand by the principle of some kind of control by some public authority over the size and type of house.

12.32 a.m.

Miss RATHBONE: It is common form to express surprise and regret when the Minister refuses to accept a proposal which we want him to accept. I feel that I cannot conform to that tradition, because nothing would have surprised me more than if the Minister had said that he intended to accept this Clause. Every time that we have asked him for any security, or certainty, that the houses, which are to be built out of public money by private enterprise, should be used for the purposes we desire—that they should be used to provide housing for the poorer working classes, he has provided us with good intentions. He has the good intention to see that the people who ask for his assistance have the good intention to let the houses to these people, but when we ask for something more than intention he always tells us he has no machinery. He has made it perfectly clear—if we ever had any doubt we have so no longer—that private enterprise can say it intends to let the houses to working-class persons, but it is not even asked if it intends to let the houses at a reasonable rent. Private enterprise is only asked to express an intention, and if it changes

[Miss Rathbone.]

that intention five minutes later it will be quite all right. Is it likely, therefore, that the Minister would have taken the more difficult step of accepting the principle put forward in this Clause, that private enterprise, having built a house, shall proceed to allocate that house by preference to people with families?

As the last speaker has said, it will be a troublesome Clause to carry out. I wish it were possible to carry out the principle. Of course we know that the actual result will be just the opposite. It is quite certain that these houses, built under a guarantee and with the aid of public funds, will be let on a definite principle which will be the opposite to that laid down in this Clause. Preference will be given to the couple of elderly spinsters, because private enterprise prefers such as these to the man with three, five or seven children who has that number of reasons for not paying his rent when unemployed. Private enterprise will seek the highest possible return in working under an Act which puts up barriers against indulging in that desire which some of us have. I would have been surprised if the right hon. Gentleman had given way on this Clause, because he has been so out of consonance with the atmosphere of these Acts. I do not believe that the control would have been anything more than a kind of sham, but I will vote for the Clause to assert my belief in the principle. There is a sort of poetic consistency in the last Division which we shall take to-night, because it shows us the flaws in this most detestable Measure.

12.38 a.m.

Mr. McENTEE: I agree with the new Clause, and I am surprised at the Minister rejecting it. I said at an earlier stage in the evening that the Bill is obviously an attempt to allow private enterprise to exploit the public, especially that section of the public least able to bear exploitation. Further, the rejection of this new Clause means that the Minister must know that the builders responsible for the letting of the houses will be able to choose their tenants and, naturally, they will choose those tenants best able to pay rent quite irrespective of whether they have families or not. The probability is, as has been said by the hon. Lady who has just spoken, that people who have large families—and the general rule is that people with large families are much more liable to be unable to pay their rents—will get little consideration from the owners of these new houses who are to receive public guarantees from the local authorities and His Majesty's Government.

The Minister has shown, in this regard and in all others, his keen desire to allow private enterprise to find a new field for making profit. Practically every vestige of public control, very essential for the welfare of the people, is to be lost. That means that all the efforts made by housing experts in recent years and all those who desire to see the people of this country reasonably well housed have been blocked. The Minister had driven us back to a state little in advance of that at the end of the War, when private enterprise gave us the slums which we possess to-day. Some time in the future, when we have other Rotherham elections and some more General Elections, the people will come back to their senses and discover that the mistake they made at the last General Election is finding expression in the Bills which we are now considering. They will unfortunately be compelled to submit to that exploitation until an opportunity occurs for housing authorities, housing experts, and housing enthusiasts to rebuild the housing position that has been destroyed by the Minister in this Bill. I think that this Bill is——

The DEPUTY-CHAIRMAN: The Clause only deals with the allotment of houses.

Mr. McENTEE: I am dealing with the allotment of houses under this Bill, and I regard it as one of its worst features. The Bill will prevent the people most in need of houses, those with large families, from getting houses, and it will enable the exploiters to exploit those people to a greater degree. At some future time those of us who have been serious in our attempt to get decent housing for the people to live in will be sorry that we have ever had a Minister and a Government that passed this Bill.

Question put, "That the Clause be read a Second time."

The Committee divided: Ayes, 30; Noes, 134.

Division No. 62.] AYES. [12.42 a.m.

dams, D. M. (Poplar, South)
anfield, John William
rown, C. W. E. (Notts., Mansfield)
ocks, Frederick Seymour
ripps, Sir Stafford
aggar, George
avies, David L. (Pontypridd)
dwards, Charles
reenwood, Rt. Hon. Arthur
renfell, David Rees (Glamorgan)
riffith, F. Kingsley (Middlesbro', W.)
Harris, Sir Percy
Hicks, Ernest George
Holdsworth, Herbert
Janner, Barnett
Johnstone, Harcourt (S. Shields)
Lansbury, Rt. Hon. George
Lawson, John James
Logan, David Gilbert
McEntee, Valentine L.
Mallalieu, Edward Lancelot
Mander, Geoffrey le M.
Milner, Major James
Nathan, Major H. L.
Price, Gabriel
Rathbone, Eleanor
Rea, Walter Russell
Tinker, John Joseph
Williams, Edward John (Ogmore)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE AYES.—
Mr. Gordon Macdonald and Mr. Duncan Graham.

NOES.

cland-Troyte, Lieut.-Colonel
gnew, Lieut.-Com. P. G.
lbery, Irving James
ske, Sir Robert William
ainiel, Lord
anks, Sir Reginald Mitchell
arrie, Sir Charles Coupar
eaumont, Hon. R.E.B. (Portsm'th,C.)
ird, Ernest Roy (Yorks., Skipton)
lindell, James
owyer, Capt. Sir George E. W.
raithwaite, J. G. (Hillsborough)
roadbent, Colonel John
rocklebank, C. E. R.
rowne, Captain A. C.
uchan-Hepburn, P. G. T.
urghley, Lord
urnett, John George
utt, Sir Alfred
ampbell, Edward Taswell (Bromley)
aporn, Arthur Cecil
arver, Major William H.
astlereagh, Viscount
hapman, Col. R.(Houghton-le-Spring)
horlton, Alan Ernest Leofric
hristie, James Archibald
onant, R. J E.
ooke, Douglas
opeland, Ida
ulverwell, Cyril Tom
rewe, Cedric
uckworth, George A. V.
uncan, James A. L. (Kensington, N.)
rskine, Lord (Weston-super-Mare)
ssenhigh, Reginald Clare
verard, W. Lindsay
ielden, Edward Brocklehurst
ox, Sir Gifford
remantle, Sir Francis
luckstein, Louis Halle
oldie, Noel B.
oodman, Colonel Albert W.
uinness, Thomas L. E. B.
unston, Captain D. W.
uy, J. C. Morrison
acking, Rt. Hon. Douglas H.
Hanley, Dennis A.
Hannon, Patrick Joseph Henry
Heilgers, Captain F. F. A.
Heneage, Lieut.-Colonel Arthur P.
Horsbrugh, Florence
Hudson, Capt. A. U. M. (Hackney, N.)
James, Wing-Com. A. W. H.
Johnston, J. W. (Clackmannan)
Jones, Sir G. W. H. (Stoke New'gton)
Ker, J. Campbell
Kerr, Lieut.-Col. Charles (Montrose)
Lamb, Sir Joseph Quinton
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Levy, Thomas
Liddall, Walter S.
Lindsay, Noel Ker
Llewellin, Major John J.
Loder, Captain J. de Vere
MacAndrew, Lieut.-Col. C. G.(Partick)
McEwen, Captain J. H. F.
McKie, John Hamilton
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Macmillan, Maurice Harold
Magnay, Thomas
Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. R.
Mayhew, Lieut.-Colonel John
Mills, Major J. D. (New Forest)
Mitchell, Harold P.(Br'tf'd & Chisw'k)
Molson, A. Hugh Elsdale
Morris-Jones, Dr. J. H. (Denbigh)
Muirhead, Major A. J.
Nation, Brigadier-General J. J. H.
Nunn, William
O'Donovan, Dr. William James
Palmer, Francis Noel
Pearson, William G.
Perkins, Walter R. D.
Peto, Geoffrey K.(W'verh'pt'n, Bilston)
Pickford, Hon. Mary Ada
Raikes, Henry V. A. M.
Ramsay, T. B. W. (Western Isles)
Rankin, Robert
Ratcliffe, Arthur
Ray, Sir William
Reid, James S. C. (Stirling)
Reid, William Allan (Derby)
Renwick, Major Gustav A.
Roberts, Sir Samuel (Ecclesall)
Robinson, John Roland
Ropner, Colonel L.
Runge, Norah Cecil
Russell, Albert (Kirkcaldy)
Russell, Alexander West (Tynemouth)
Rutherford, John (Edmonton)
Rutherford, Sir John Hugo (Liverp'l)
Salmon, Sir Isidore
Salt, Edward W.
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Savery, Samuel Servington
Scone, Lord
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Shaw, Captain William T. (Forfar)
Skelton, Archibald Noel
Smith, Sir Jonah W. (Barrow-in-F.)
Southby, Commander Archibald R. J.
Stanley, Lord (Lancaster, Fylde)
Storey, Samuel
Stourton, Hon. John J.
Sueter, Rear-Admiral Murray F.
Sugden, Sir Wilfrid Hart
Sutcliffe, Harold
Thomas, James P. L. (Hereford)
Titchfield, Major the Marquess of
Vaughan-Morgan, Sir Kenyon
Ward, Irene Mary Bewick (Wallsend)
Warrender, Sir Victor A. G.
Wells, Sydney Richard
Weymouth, Viscount
Wills, Wilfrid D.
Wilson, Clyde T. (West Toxteth)
Wise, Alfred R.
Womersley, Walter James
Young, Rt. Hon. Sir Hilton (S'v'oaks)

TELLERS FOR THE NOES.—
Lieut.-Colonel Sir Lambert Ward and Major George Davies.

Bill reported; as amended, to be conidered upon Thursday, and to be printed. [Bill 64.]

SUNDAY ENTERTAINMENTS ACT, 1932.

Resolved, That the Order made by the Secretary of State under the Sunday Entertainments Act, 1932, for extending ection one of that Act to the borough of Acton, which was presented on the 15th day of February, 1933, be approved.

Resolved, That the Order made by the Secretary of State under the Sunday Entertainments Act, 1932, for extending section one of that Act to the urban district of Penge, which was presented on the 15th day of February, 1933, be approved.—[*Mr. Hacking.*]

The remaining Orders were read, and postponed.

It being after half-past Eleven of the Clock upon Tuesday evening, Mr. DEPUTY-SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at Nine Minutes before One o'Clock.

HOUSE OF COMMONS.

Wednesday, 1st *March,* 1933.

The House met at a Quarter before Three of the Clock, Mr. Speaker *in the Chair.*

PRIVATE BUSINESS.

Ministry of Health Provisional Order (Torquay) Bill,

"to confirm a Provisional Order of the Minister of Health relating to the borough of Torquay," presented by Sir Hilton Young; read the First time; and referred to the Examiners of Petitions for Private Bills, and to be printed. [Bill 62.]

NEW WRIT.

For the County of Kent (Ashford Division), in the room of Captain the hon. Michael Herbert Randolf Knatchbull, M.C., now Lord Brabourne, called up to the House of Peers.—[*Sir Frederick Thomson.*]

ORAL ANSWERS TO QUESTIONS.

TRADE AND COMMERCE.

Portuguese Ports (Flag Discrimination).

3. **Mr. LOUIS SMITH** asked the Secretary of State for Foreign Affairs if he can expedite the settlement of the negotiations with Portugal respecting the discriminatory rates on British goods to Portugal in favour of vessels flying the Portuguese flag, and more especially because its continuance is hampering the development of trade between the two countries?

The SECRETARY of STATE for FOREIGN AFFAIRS (Sir John Simon): Every effort is being made by His Majesty's Government in the United Kingdom to bring these negotiations to a satisfactory conclusion. The prejudicial effect of flag discrimination upon Anglo-Portuguese trade is fully appreciated by His Majesty's Government.

Imperial Preference (Cotton Good

14. **Mr. RANKIN** asked the Secreta of State for the Colonies whether a special efforts and, if so, of what natu are now being made to secure increas preference for cotton goods within t Empire?

The SECRETARY of STATE for t COLONIES (Sir Philip Cunliffe-Lister I would refer my hon. Friend to t answer given by my hon. Friend t right hon. the Secretary of State f Dominion Affairs yesterday to the san question.

Russia.

36. **Sir BASIL PETO** asked the Pres dent of the Board of Trade the tot balance of trade between this count and the Soviet Republic during the pa 11 years and also the correspondin figure for trade between the Unite States of America and the Sovi Republic; and whether, in making an fresh trade agreement, the Governme will limit our purchases from the Sovie Government selling agency to an amour which will correspond with their pu chases of goods produced in this country

Lieut. - Colonel JOHN COLVILL (Secretary, Overseas Trade Department) During the 11 years, 1922 to 1932, ther was an excess of imports over export of merchandise in the trade of the Unite Kingdom with the Soviet Union to th value of £136,500,000. In the case of th United States, exports to the Sovie Union during the same period exceede in value imports from that country b about 519,000,000 dollars. It is the ain of His Majesty's Government in th negotiations now in progress to secur an improvement in the balance of trade

Sir B. PETO: Can the hon. and gallan Gentleman say whether the figures he gave of trade between the United Kingdom and the Soviet Republic included re-exports, or did they relate only to the products of this country exchanged for the products of the Soviet?

Lieut.-Colonel COLVILLE: The figures are actually merchandise sent.

Sir B. PETO: Then they would include re-exports? What are the figures for re-exports?

Lieut.-Colonel COLVILLE: I could not say without notice.

37. **Sir HERBERT SAMUEL** asked the President of the Board of Trade if he will state on what date the notice given by the Government to terminate the present Anglo-Russian trade agreement expires; and what progress has been made in the negotiations for a new agreement?

Lieut.-Colonel COLVILLE: The present agreement will cease to be in force from the 17th April, 1933. Negotiations are continuing, but the right hon. Gentleman will not expect me to discuss the course of the negotiations while they are proceeding.

Glove Industry.

39. **Sir B. PETO** asked the President of the Board of Trade whether he can give any date by which an order may be expected, in accordance with the recommendations of the Import Duties Advisory Committee, on the application of the fabric glove industry; whether the commercial negotiations with foreign countries, which are delaying the decision, relate to the glove industry or other industries; and whether, in view of the depression in the fabric glove industry in this country, due to the dumping of surplus foreign produce at prices below cost of production, he will arrive at a decision at the earliest possible moment?

Lieut.-Colonel COLVILLE: I cannot give a date by which a decision will be reached on the Committee's recommendations but the hon. Member may rest assured that there will be no unnecessary delay. As regards the second part of the question, it would not be expedient to make detailed announcements as to the scope of negotiations while they are in progress.

Sir B. PETO: Owing to the unsatisfactory nature of the reply, I beg to give notice that I shall raise the question on the Adjournment.

GREEK GUARANTEED LOAN.

4. **Sir NICHOLAS GRATTAN-DOYLE** asked the Secretary of State for Foreign Affairs if he will explain the steps he is taking to recover the £512,187 4s. 9d. due from the Greek Government to Great Britain in respect of an old guarantee by the British Government; and whether he has brought the matter before those experts of the League of Nations who advised upon the recent Greek loans issued under the supervision of the League of Nations?

Sir J. SIMON: By a convention concluded in 1860 between the Greek Government and the Governments which had guaranteed the loan of 1832 the Greek Government are liable to pay £12,000 annually to His Majesty's Government to be applied in reduction of the capital sum outstanding. The instalment due on the 31st December, 1932, has not yet been received and correspondence is taking place with the Greek Government with regard thereto. The answer to the second part of the question is in the negative.

Sir N. GRATTAN-DOYLE: Since this question has been outstanding for such a long time will my right hon. Friend give me an assurance that all possible steps are being taken to hasten a conclusion?

Mr. HANNON: Can my right hon. Friend tell the House that he hopes that the whole loan will be discharged?

Sir J. SIMON: As regards the last question I cannot answer it. I have not examined the exact terms of the loan. The only instalment, I think, which has not been paid is this last one. My hon. Friends may be assured that the Treasury of this country is taking active steps to make representations to the authorities concerned in this matter.

FIGHTING SERVICES (FISH SUPPLIES).

6. **Mr. BURNETT** asked the First Lord of the Admiralty whether he will issue instructions to the accountant officers in ships, etc., victualled on the general mess system, for the purchase of a reasonable quantity of British-caught fish?

The PARLIAMENTARY SECRETARY to the ADMIRALTY (Lord Stanley): Accountant officers of ships victualled on the general mess system are instructed to introduce as much variety into the dietary as possible, and fish appears frequently in the daily menus. The fish are bought on the open market, and in home waters there is no reason to suppose that they are other than British caught. As accountant officers of general

[Lord Stanley.]
mess ships are limited in their expenditure to a fixed daily allowance per man, it would not be expedient to introduce any rule of the kind suggested by the hon. Member.

Mr. BURNETT: Will the Noble Lord, as far as possible, impress upon those concerned the importance of the fishing industry to the nation and the nutritious quality of a fish diet?

43. **Mr. BURNETT** asked the Financial Secretary to the War Office whether, in the next tenders for Army rations, quotations will be invited for British-caught fish?

The FINANCIAL SECRETARY to the WAR OFFICE (Mr. Duff Cooper): No, Sir. I am not prepared to substitute fish for meat in the soldier's standard ration. Fish is purchased by units out of the messing cash allowance which is issued with the object of enabling the messing authorities to provide a varied diet.

Mr. BOOTHBY: Why is not the hon. Gentleman prepared to include fish?

Mr. COOPER: I do not think that it would be popular to replace meat by fish as a standard ration.

MALAYA.

7. **Mr. HICKS** asked the Secretary of State for the Colonies whether he has ascertained from the Governor of the Straits Settlements and the High Commissioner of the Federated Malay States whether there is any obstacle against the putting into force of the Workmen's Compensation Act in both Colonies; and whether he can state when the administrative orders will be applied?

Sir P. CUNLIFFE-LISTER: I consulted the Governor by despatch after the hon. Member put his question to me on 20th December last. There has not yet been time for me to receive the Governor's reply.

Mr. HICKS: Will the right hon. Gentleman pursue this matter; and can he indicate when I may repeat this question with the hope of getting an answer?

Sir P. CUNLIFFE-LISTER: I can g an answer to the hon. Member whe have received the reply from Governor.

8. **Mr. HICKS** asked the Secretary State for the Colonies whether he give the names of the selection board the cadet services of Malaya; w qualifications are demanded of car dates; and whether there is any rac discrimination?

Sir P. CUNLIFFE-LISTER: T Malayan Civil Service is now part of t Colonial Administrative Service, and personnel will in future be selected unc the general system in force for that s vice. Selection is entrusted to t Colonial Appointments Board.

The members are:

His Majesty's Civil Service Comm
sioners for the time being;
Sir Horace A. Byatt;
Sir Walter Buchanan-Riddell;
Mr. Charles Goldschmidt;
Captain Philip Lonsdale; and
Mr. C. W. B. Prescott.

The Chairman is the First Civil Servi Commissioner (Sir Roderick Meiklejoh I may add that it is my intention to ac to the board an experienced retir officer of the Eastern Cadet Servic Owing to the many-sided nature of th work of the Colonial Administrative Se vice, no rigid qualifications, other tha age, are of deliberate purpose, set dow The established rule, so far as concern personnel recruited in this country for th Colonial Administrative Service, is th "Candidates must be natural-bor British subjects of pure European desce on both sides." There are, howeve facilities in the Colonies themselves f the appointment of locally-recruited pe sonnel to the service.

9. **Mr. HICKS** asked the Secretary State for the Colonies whether he aware that recruitment of the Civil Se vice cadets of the Federated Mala States is by selection rather than b competitive examination; and what step he is taking to put this recruitment on competitive basis?

Sir P. CUNLIFFE-LISTER: Th reasons for my decision that recruitmen for the Malayan Civil Service should i future be carried out by the selectio system instead of by the competitiv examination previously in force were given in my reply to the hon. Member's question on 20th December, 1932. I have no intention whatever of returning to the system of competitive examination.

KENYA GOLDFIELD.

10. **Mr. HOLDSWORTH** asked the Secretary of State for the Colonies whether it is proposed to restore to the native councils of the Kenya Colony Reserves the right of consultation provided for in the original Ordinance before any particular piece of land is leased?

Sir P. CUNLIFFE-LISTER: No, Sir. As I explained in the Debate, the Native Council of the North Kavirondo Reserve consists of 64 members drawn from all parts of the Reserve and is clearly an inappropriate body for the purpose mentioned. The expression of native views in regard to the proposed excision, for leasing purposes, of any particular piece of land, is fully provided for by the statutory reference to the local land board, which will include for this purpose representatives of the location or section concerned, in addition to the permanent African member chosen from the local native council.

11. **Mr. HOLDSWORTH** asked the Secretary of State for the Colonies whether all rents accruing from any lease of lands for gold winning are to be credited to the native councils of Kenya Colony?

Sir P. CUNLIFFE-LISTER: No, Sir. Any land leased for mining will first be excluded from the Reserve in exchange either for alternative land or for a monetary payment to the local native council of the full capital value thereof.

12. **Mr. GRAHAM WHITE** asked the Secretary of State for the Colonies whether, seeing that any land in the native Reserves in Kenya Colony which is not required for gold winning is to be restored to the natives, any provision is included in the lease for repairing any surface disturbance which has taken place on land formerly leased?

Sir P. CUNLIFFE-LISTER: No, Sir. As full compensation for the land will have already been made to the natives, I do not think it would be reasonable to impose this additional obligation on the lessee.

13. **Mr. WHITE** asked the Secretary of State for the Colonies whether, seeing that large numbers of natives are to be employed in gold winning in Kenya Colony, it is his intention to instruct the Governor to prepare legislation providing for compensation for accidents and those diseases which usually accompany the work of winning gold?

Sir P. CUNLIFFE-LISTER: Statutory provision for compensation to natives in respect of death or serious injuries arising from mining accidents already exists in the Kenya Mining Ordinance of 1931. The Governor of Kenya has also under consideration a Workmen's Compensation Bill covering occupational diseases as well as the results of accidents.

PALESTINE (JEWISH WATCHMAN'S DEATH).

15. **Colonel WEDGWOOD** asked the Secretary of State for the Colonies whether he has any information as to the killing of Joseph Benjamini, an ex-soldier of the British Army, in a raid by Bedouins against a Jewish settlement on this side of Jordan; and why the British police or the Transjordan force did not prevent the raid or protect the raided?

Sir P. CUNLIFFE-LISTER: As the answer is a long one I will, with the right hon. and gallant Gentleman's permission, circulate it in the OFFICIAL REPORT.

Colonel WEDGWOOD: May I ask whether the district commissioners are in charge of the police in their respective areas; and whether Mr. Samuel has been made a district commissioner?

Sir P. CUNLIFFE-LISTER: I take a great interest in every detail of Colonial administration, but I could not be expected to answer those questions offhand.

Colonel WEDGWOOD: The right hon. Gentleman will realise, I hope, that the post of district commissioner is infinitely more important, if the commissioners have charge of law and order in their districts.

Following is the answer:

The telegraphic report on this incident which I have received from the High Commissioner is as follows:

There was no raid by Bedouin on the Wady Hawareth. A party of police, consisting of one British non-commissioned officer and three British constables under the Assistant District Superintendent of Police, Tulkarem, acting on orders of court, evicted a number of Arabs occupying 50 tents who were trespassing on Jewish property near Nathaniyza on the coast west of Tulkarem. The Arabs refused to leave voluntarily, claiming that they had no land to which to go. Forcible measures were taken, and the Arabs and their possessions were placed on the road between Nathaniyza and Ummkhalid. Some of the Arabs then asked permission to remove themselves to a neighbouring property owned by an Arab, who offered no objection, and the police gave permission. On their way to the Arab property this small party entered the land of a settlement of Jewish ex-soldiers. The deceased person, who was a Jewish watchman, spoke to the Arabs and the British corporal asked him to allow the Arabs to proceed, since, otherwise, the party, with their effects carried by hand, would be obliged to make a detour of more than two kilometres. The land of the settlement is not at this point cultivated. The British corporal then rejoined the main body on the road, 100 to 300 yards distant. Within the space of a few minutes the police engaged in moving the main body heard cries of "murder" from the land of the settlement, to which they immediately went. The Jewish watchman was on the ground. On being helped to rise, he pointed to an Arab who, he said, had struck him with a stick. Apart from a group of Arabs, there was no satisfactory eye-witness of the incident. The Jewish watchman died the same night about five hours after the assault. Three arrests have been made. The High Commissioner added that he was not yet in a position to offer observations. These will follow by despatch.

AVIATION.

LANDING GROUNDS.

17. **Mr. McENTEE** asked the Under-Secretary of State for Air if he will furnish a list of landing-grounds availal for aeroplanes in Britain; the numb that have been opened with assistar from the State; and whether any of tl landing-grounds of the Royal Air For are available for use by private aer planes, and the charge?

Sir FREDERICK THOMSO (Treasurer of the Household): I hav been asked to reply. As the answer long I will, with the hon. Member's pe mission circulate it in the OFFICI REPORT.

Following is the answer:

As regards the first and last parts the question, on 31st January last ther were 377 licensed civil aerodromes of a kinds in Great Britain and Norther Ireland. It should be borne in minc however, that the majority of these wer only licensed for short periods fo pleasure flying. I would refer the hon Member to the "Air Pilot," Volume 1 published by His Majesty's Stationer Office, for particulars of those in regula use and also for particulars, including charges, of some 50 Royal Air Force aerodromes, which are available in emergenc for use by civil aircraft. In addition there is a certain number of privately owned and unlicensed landing-grounds. As regards the second part of the question, five aerodromes and landing-grounds available for public use are owned and maintained by the State, and I understand that grants from the Unemployment Grants Committee have been made in resepect of eight municipal aerodromes. Assistance has also been given indirectly towards the establishment of aerodromes through the grants to Light Aeroplane Clubs.

IRISH FREE STATE.

18. **Sir N. GRATTAN-DOYLE** asked the Under-Secretary of State for Air whether he is aware that there is no direct communication between Great Britain and the Irish Free State by air; and whether he will consult with the appropriate authorities of the Irish Free State to remedy this inconvenience, which is a matter of concern to many people in this country?

Sir F. THOMSON: The answer to the first part of the question is in the affirmative. As regards the second part, the stablishment of an air service between Great Britain and the Irish Free State would be a matter for private enterprise and in these circumstances, though my Noble Friend is in full sympathy with the object in view, he does not consider there would be any advantage in consultation with His Majesty's Government in the Irish Free State.

Sir N. GRATTAN-DOYLE: Is the hon. Gentleman aware that anyone who wishes to proceed from Great Britain to Southern Ireland at the present time by air, finds it necessary to charter a special aeroplane to Dublin and then proceed from Dublin to his destination in Southern Ireland?

Sir F. THOMSON: I see the hon. Member's point quite clearly but, as I have stated, this would be a matter for private enterprise.

TRANSPORT.

OMNIBUS SERVICE, GLASGOW.

19. **Mr. McGOVERN** asked the Minister of Transport if, in view of the fact that the Glasgow Corporation has refused to put omnibuses on the Glasgow-Tollcross route and that a large number of persons are deprived of this means of transport, he will withdraw the prohibition on the Glasgow Omnibus Company to lift and lay passengers in the Tollcross area?

The MINISTER of TRANSPORT (Mr. Oliver Stanley): I have no jurisdiction over the conditions attached to a road service licence unless an appeal is made to me against a decision of the Traffic Commissioners, by a person entitled to do so, within one month of the date of the decision in question. I cannot trace the receipt of any appeal relating to this matter.

Mr. McGOVERN: Is the hon. Gentleman aware that in this area people have to walk nearly half-a-mile from a large housing estate to get means of transport to and from Glasgow; and, if he has no jurisdiction in the matter, to whom am I entitled to put questions about it?

Mr. STANLEY: As my answer has indicated, if there is opposition on the part of the people in the neighbourhood, an appeal can be made against the decision of the Traffic Commissioner. I will gladly make further inquiries into the matter for the hon. Gentleman.

RAIL AND ROAD CONFERENCE (REPORT).

20. **Mr. HEPWORTH** asked the Minister of Transport whether, before intimating to the House the Government's proposals for implementing the Salter Report, he proposes to circulate them for criticism to the interests affected?

Mr. STANLEY: No, Sir. Full consideration has been given to the numerous written representations already submitted by representative organisations, and I see no sufficient reason for a further series of consultations prior to the introduction of a Bill in Parliament. Such a course would inevitably lead to considerable delay. I shall, however, be ready at any time to consider and discuss any suggestions that may be made to me in connection with the Government's scheme when it is before the House.

Mr. T. WILLIAMS: Will the hon. Gentleman be good enough to give Members of this House plenty of notice before his proposal is brought on the Floor of the House?

Mr. STANLEY: The introduction of the Bill will do that.

ROAD CONSTRUCTION, SCOTLAND.

21. **Sir PATRICK FORD** asked the Minister of Transport what is the total estimated cost of the new Glencoe road from Tyndrum through Glenorchy and Glencoe to Carnach, near Ballachulish; and why it was decided to spend so large a sum on an arterial road in this district instead of spreading over at least part of it on road construction of more economic value in other parts of Scotland?

Mr. STANLEY: The total estimated cost of constructing the 30 mile section of the Glasgow-Inverness trunk route lying between Tyndrum and Carnach is £512,000. The scheme was included in the trunk road reconstruction programme initiated in 1924-25 as part of the unemployment programme for that year. The importance of this route, in an area where communications are notably deficient, was held to afford good grounds

[Mr. Stanley.]
for the expenditure. I would remind my hon. Friend that important schemes were also assisted in more populous parts of Scotland, as for example the new Edinburgh-Glasgow road, which was of greater magnitude than that to which he refers.

Sir P. FORD: Is it not a fact that a great deal of this, to my mind, unnecessary expense is due to too rigid an application of a rule regarding gradients, which is well worth while in England but in areas of the character of the Highlands causes unnecessary expense?

Mr. STANLEY: That appears to me to be quite a different question from the one on the Paper.

MOTOR DRIVERS (PHYSICAL FITNESS).

22. **Mr. ROSS TAYLOR** asked the Minister of Transport if, in view of the number of accidents on the roads, some of which are due to physical disability and, in particular, defective vision on the part of drivers, he will institute a system for testing the declarations in regard to physical fitness made by applicants for motor-driving licences?

Mr. STANLEY: Under the Road Traffic Act, 1930, every applicant for a licence to drive a motor vehicle is required to make a declaration in a prescribed form as to his physical fitness, including eyesight. Any person who knowingly makes a false statement is liable to severe penalties under the Act. I have no evidence to show that false declarations are frequent, and, in any case, I think it would be well to gain some rather longer experience of the operation of the provisions of the Act before coming to any conclusion as to the need for imposing further requirements in regard to physical fitness.

TRAFFIC NOISES.

23. **Mr. LOVAT-FRASER** asked the Minister of Transport if he is aware that the noise abatement committee of New York has done much to check transport noise in that city; and if he will take steps to have a similar body appointed here?

Mr. STANLEY: I have no information as to the steps taken by this Committee, but I am making inquiries and will then consider whether there is any further action which could usefully be taken.

24. **Mr. LOVAT-FRASER** asked t
Minister of Transport how many cases
enforcement have taken place during 1
under the regulations forbidding t
use of motor-cycles which are not fitt
with silencers?

**The UNDER-SECRETARY of STAT
for the HOME DEPARTMENT (M
Douglas Hacking):** I have been asked
reply. I regret that I cannot give t
information asked for, as the retur
made by the police for purposes of t
annual return of motoring offences do n
distinguish between motor-cycles a
other motor vehicles in respect of noi
offences.

51. **Mr. LOVAT-FRASER** asked t
Secretary of State for the Home Depar
ment if he is aware that, on the adjourn
ment of the Committee on Traffic Nois
sine die about three years ago, Sir Hen
Maybury, the chairman, promised tha
the Ministry would refer the question o
evolving a standard motor-horn, whic
should be at once effective and less i
jurious to the health and nerves of th
community, to the committee of re
search; and whether anything has bee
done with regard to this?

Mr. STANLEY: I have been asked t
reply. Inquiries were made from th
National Physical Laboratory, and th
conclusion was reached that further ex
penditure on experiments directed to
wards the production of a standard typ
of motor-horn was not likely to be usefu
in results.

GOVERNMENT DEPARTMENTS.

EDINBURGH.

25. **Mr. SCRYMGEOUR-WEDDERBURN** asked the First Commissioner of Works whether it is the intention of the Government to proceed immediately with the building of new Government offices in Edinburgh; and whether he can make any statement on this subject?

26. **Sir SAMUEL CHAPMAN** asked the First Commissioner of Works whether, in view of the many suggestions which have been made and discussions which have taken place during the last 10 years as to the advisability of concentrating in one building the numerous Government offices which are scattered all over Edinburgh, and in view of the

present low cost of building, he will consult with the Secretary of State for Scotland for the purpose of taking action to effect this improvement in the interests of economy and efficiency?

The FIRST COMMISSIONER of WORKS (Mr. Ormsby-Gore): The possibility of proceeding with the scheme for centralising Departmental staffs in one building in Edinburgh is at present under consideration by both the Secretary of State for Scotland and myself. As my hon. Friends are no doubt aware, there are certain site and architectural problems which must be resolved, before a decision whether to proceed with the projected scheme can be taken.

Mr. SCRYMGEOUR-WEDDERBURN: Can my right hon. Friend say whether Edinburgh will be given equality and similarity of treatment with Whitehall in any extension or reconstruction of Government offices that may be undertaken; and is he aware that great indignation is caused in Scotland by the delay in the erection of this building?

Mr. ORMSBY-GORE: I am agreeably surprised at the last part of my hon. Friend's question. Hitherto the whole matter has been held up by grave differences of opinion as to the site, style, and character of the building to be erected in Edinburgh, which has made the Government very shy of proceeding with it. The other question was, if I may say so, rather hypothetical, as there is no decision as yet to proceed with the Whitehall scheme.

Mr. BOOTHBY: Will my right hon. Friend consider the advisability of providing an official residence for the Secretary of State for Scotland in Edinburgh?

Mr. ORMSBY-GORE: I should like notice of that question.

Mr. McGOVERN: Have the Department considered any sites at all for these offices in Glasgow?

Mr. ORMSBY-GORE: The answer is in the negative. I understand that Edinburgh is regarded as the administrative capital of Scotland.

LONDON.

28. **Mr. LEVY** asked the First Commissioner of Works if any decision has yet been reached on the proposal to rehouse a number of the Departments under one roof in Whitehall?

Mr. ORMSBY-GORE: The answer is in the negative.

Mr. LEVY: Will my right hon. Friend press on with this scheme as a measure of economy and a source of employment in the building industry?

Mr. ORMSBY-GORE: I am glad the hon. Gentleman put the first supplementary question first. I am at this moment going into the question as to whether an economical scheme can be worked out, assuming that we accept the decision of Parliament that the original scheme cannot proceed, and that we cannot have all the land originally contemplated; and I am examining the question as to whether effective economies can be made by proceeding with a modified scheme.

Mr. LANSBURY: Before arriving at that decision, will the right hon. Gentleman put the case again to this House? Is he aware that it was only a committee, I think a Joint Committee, that reported, but it was not a unanimous decision, and that there is weighty opinion against the decision of that committee? I am only asking if the right hon. Gentleman will reconsider the whole question without settling for good and all that the site should not be entirely used?

Mr. ORMSBY-GORE: Since the committee advised against building over any of the open spaces by the Embankment, so far as I can gather public opinion in this country has grown against building over any grass or open spaces in London, and I think a reconsideration of that point might lead us into even further difficulties and delays before we could get the matter considered on its merits.

Mr. LANSBURY: Will the right hon. Gentleman bear in mind the fact that an open space in Whitehall would be preserved, and that it is only a question of a choice of open spaces?

Mr. ORMSBY-GORE: It is a question of the building line towards the Thames.

Mr. HERBERT WILLIAMS: Would not the problem be solved entirely if my right hon. Friend's colleagues employed fewer people?

Ex-service Men (Pensions).

54. **Mr. CLARRY** asked the Financial Secretary to the Treasury whether it is the intention of His Majesty's Government to grant pensionable status to the P-class and temporary ex-service technical staff in the Civil Service who have attained the prescribed qualifying service for the clerical staffs; and if he will favourably consider the claim submitted by the Association of Ex-service Civil Servants on the 26th September last at an early date?

The FINANCIAL SECRETARY to the TREASURY (Mr. Hore-Belisha): Representations have been received from the association referred to, amongst other bodies, with regard to the position of certain technical staffs temporarily employed in the Government service. It is not yet possible to indicate what will be the outcome.

WESTMINSTER HALL (WARREN HASTINGS TABLET).

27. **Major MILLS** asked the First Commissioner of Works whether he will follow the precedent set by the tablet in Westminster Hall to Sir William Wallace, who is described thereon as the Scottish patriot, by adding the words First Governor-General of India after the name of Warren Hastings on the new tablet to be placed in Westminster Hall to commemorate the place, date, and issue of the latter's trial?

Mr. ORMSBY-GORE: I should hesitate to lengthen still further the revised inscription which has been agreed with the donor and the Royal Empire Society. The general public are, I think, aware of the fact that Warren Hastings was Governor-General of India.

Major MILLS: Will my right hon. Friend take a long view of the help that it would be to the Martians when they are excavating sites in ancient London about the year 7033 to have this additional information?

NAVAL AND MILITARY PENSIONS AND GRANTS.

29. **Mr. SMEDLEY CROOKE** asked the Minister of Pensions how many of the 361 cases recognised outside the seven years' limit during 1932 have actually been granted a pension?

The MINISTER of PENSIONS (Ma Tryon): Of the 361 cases referred to the question, 272 received monetary co pensation and 89 cases were found require no more than medical or surgi treatment.

AGRICULTURE.

Oats.

30. **Mr. BOOTHBY** asked the Secreta of State for Scotland whether he is awa that the average wholesale price of oa in Germany during the year 1932 w 10s. 2d. per cwt., and of oats consign from Germany and marketed in this cou try was 5s. 7½d.; whether he conside that the latter price is a remunerati one for Scottish farmers; and wheth he proposes to take any action in t matter?

The SECRETARY of STATE f SCOTLAND (Sir Godfrey Collins): T answer to the first part of the questi is in the affirmative, subject to the obse vation that 5s. 7½d. was not the averag price at which oats imported from Ge many were marketed in this country, b the average declared value on import tion which does not include import dut The average price of oats in certain r presentative Scottish markets during th year 1932 was 7s. per cwt. With regar to the second and third parts of the que tion, as I indicated yesterday in m answers to the hon. Member for Mora and Nairn (Mr. Stuart) I fully appreciat the seriousness of the situation wit regard to oat prices in Scotland.

Mr. BOOTHBY: Can my right hon Friend say when he will be in a positio to make some announcement with regar to the oat policy of the Government?

Sir G. COLLINS: I cannot say whe I shall be able to answer that question

Credits (Scotland).

31. **Mr. BOOTHBY** asked the Secretary of State for Scotland what is the rate of interest charged to farmers by the corporation set up under the Agricultural Credits Act?

Sir G. COLLINS: I understand that the corporation has not yet announced the terms on which they are prepared to make loans under the Agricultural Credits (Scotland) Act.

Mr. BOOTHBY: Will my right hon. riend bring to the notice of the corporation the fact that, owing to the re- uction in interest charges on Govern- ent securities, the Government of orthern Ireland has made a reduction interest charges by the corporation, nd will he represent to the corporation hat it is desirable that it should keep s charges as low as possible?

Sir G. COLLINS: I will make repre- entations to the corporation.

WHEAT DEFICIENCY PAYMENT.

44. **Mr. THORNE** asked the Minister of griculture the date when the next heat subsidy is due to be paid to rmers by the Wheat Commission; and he total amount paid up to the nearest vailable date?

The MINISTER of AGRICULTURE Major Elliot): The Wheat Commission ave decided to make, on or about 25th arch, a payment on account of the de- ciency payment to which registered rowers are entitled under the Wheat ct, 1932, in respect of valid wheat certi- cates received by the commission during he period 1st December, 1932, to 28th ebruary, 1933 (inclusive). The hon. ember will recollect that the commis- ion have already made an advance pay- ent in respect of certificates received p to 30th November last, and I am in- ormed that the total amount paid to ate in respect of that advance is 1,283,535.

Mr. THORNE: Does the right hon. and allant Gentleman think that he is etting value for money?

Mr. BANFIELD: How much of this heat is used in the manufacture of our?

POST OFFICE.

TELEGRAPH AND TELEPHONE POLES.

35. **Lieut.-Colonel ACLAND-TROYTE** sked the Postmaster-General whether, view of the dislocation of the service aused by the breaking of telegraph and elephone poles during the recent severe eather, he will consider the gradual re- lacement of these foreign poles by nglish-made poles of steel or iron, which re not liable to be broken in this anner?

The ASSISTANT POSTMASTER-GENERAL (Sir Ernest Bennett): Steel telegraph poles are much dearer than wooden poles of equal strength; and the substitution of steel for wooden poles would therefore result in greatly increased expenditure. The breakage of telegraph poles is very rare, and in the recent blizzard the main cause of the breakages was the weight and wind resistance of masses of snow and ice accumulated on the wires.

Lieut.-Colonel ACLAND-TROYTE: Would not steel poles have stood that weight better than wooden ones?

Sir E. BENNETT: Possibly, but they are more expensive and are not always reliable, because they corrode, not only externally, but internally. We can deal with external corrosion by frequent layers of paint, but the corrosion inside is another matter and the poles may snap at any moment.

Mr. T. GRIFFITHS: Is the hon. Gentleman aware that no damage whatever was caused to the wireless pillars and structures and the electricity structures in South Wales because they are made of steel, and will he consider the advisability of replacing wooden telegraph poles by steel poles as that will give employment in the steel trade and the mining industry?

Sir E. BENNETT: I have already stated the reason why we do not employ them at present. It is because we cannot afford it.

Captain HAROLD BALFOUR: In arriving at the cheapest method of putting up telegraph posts, has the hon. Gentleman considered the saving in unemployment benefit that will result from employing men to make steel poles instead of wooden poles?

STAMP-CANCELLING MACHINES.

33. **Mr. MITCHESON** asked the Postmaster-General if he is aware that many of the cancelling machines used by the Post Office with the stamp reading Buy British are made in America; and if he will take steps to obtain such appliances from British sources in future?

Sir E. BENNETT: I would refer the hon. Member to the reply given by my

[Sir E. Bennett.]
right hon. Friend to the hon. Member for Moseley (Mr. Hannon) on Monday, the 27th February.

CHINA AND JAPAN (ARMAMENT CONTRACTS).

38. **Mr. MORGAN JONES** asked the President of the Board of Trade if he can inform the House as to the number of the contracts for armaments in existence on 27th February between British manufacturers and merchants and the Governments of China and Japan, respectively, for which his Department has issued licences?

Lieut.-Colonel COLVILLE: An immediate survey is being undertaken of export licences which are still valid with a view to securing this information. When I am in a position to give it I will communicate with the hon. Member so that he can put down the question again.

Mr. JONES: May I take it that the hon. and gallant Gentleman will expedite the inquiries as much as possible?

Lieut.-Colonel COLVILLE: There will be no unnecessary delay.

UNEMPLOYMENT.

LAND RECLAMATION (BLACK COUNTRY).

40. **Mr. BANFIELD** asked the Minister of Health whether he will consider the advisability of furthering schemes submitted to him by local authorities for the reclamation of waste and unsightly land in the Black Country, in order to alleviate unemployment and improve the amenities of the district?

The PARLIAMENTARY SECRETARY to the MINISTRY of HEALTH (Mr. Shakespeare): My right hon. Friend is prepared to sanction a loan for any scheme within the powers of a local authority if it is remunerative or if good reason can be shown for proceeding with it at once. As the hon. Member is aware the Government do not regard the policy of relief works as likely to provide an effective remedy for unemployment and my right hon. Friend is accordingly not prepared to sanction loans for works undertaken primarily as relief works.

Mr. T. WILLIAMS: Has the
Gentleman's Department or any
Department any effective remedy fo
employment?

TRANSITIONAL PAYMENTS, TYNESIDE A

55. **Sir N. GRATTAN-DOYLE** a
the Minister of Labour whether h
aware that the scale of transitional
ments for single adults in lodging
15s. 3d. in Durham, as against 12s. 6
Newcastle; for adults living with par
10s. in Durham and 6s. in Newcastle
children under 18, 3s. to 8s. in Dur
and 2s. in Newcastle; and whethe
will sympathetically consider making
vision for avoiding such inequalitie
the projected Unemployment Insur
Bill?

**The PARLIAMENTARY SECRETA
to the MINISTRY of LABOUR (
R. S. Hudson):** I am aware that th
are differences in the scales of tra
tional payments in the Tyneside a
based upon existing differences of pu
assistance practice. My hon. Friend
remember that a conference of lo
authorities was called by the Minister
Health a year ago to consider this po
and I can assure him that it will be bo
in mind in connection with future legis
tion.

Sir N. GRATTAN-DOYLE: Will
hon. Friend undertake to impress on t
Minister the desirability of bringi
those inequalities to an end as soon
possible?

Mr. McGOVERN: Will the ho
Gentleman bear in mind that in ma
parts of the country a considerab
number of house-breaking cases a
directly attributable to the fact that u
equal payments—inadequate payments
have been given to a large number
young men?

Mr. T. WILLIAMS: Is it not the ca
that the public assistance committee
Newcastle are very largely responsib
for this discrimination?

Mr. HUDSON: The public assistanc
committee in Newcastle have the matte
of the scales in their own hands. M
right hon. Friend is not responsible fo
the scales which they adopt.

OFFICIAL SECRETS ACT (OFFICER'S ARREST).

41. **Mr. McENTEE** asked the Financial ecretary to the War Office if his atten- on has been drawn to the fact that essrs. Foster, Wells, and Coggins, the licitors of Lieutenant Baillie Stewart, e an Aldershot firm; and whether to sist this officer in the preparation of his efence and to minimise the expense, he ill arrange for Lieutenant Stewart to be ansferred from the Tower to Aldershot?

Mr. COOPER: The answer to the first rt of the question is in the affirmative, t it is not considered that it would be the advantage of the accused officer re-transfer him to Aldershot.

Mr. McENTEE: Is it not a fact that the answer given to me last week the on. Gentleman said that one of the prin- pal reasons for transferring this officer om Aldershot to the Tower was to able him to prepare his defence; and, view of the fact that the solicitor ctually lives at Aldershot, how does that quare with the refusal to allow him to e near his solicitor, and will it not im- ose upon him the extra expense of ringing his solicitor to the Tower?

Mr. COOPER: While it is true that his olicitor is at Aldershot, his counsel is in ondon, and I should imagine that the xpense of his counsel going to Aldershot ould be higher than his solicitor coming London.

Mr. McENTEE: Is it not a fact that he consultations will be with the solicitor nd not with counsel, and, in view of hat, will not the hon. Gentleman give his officer the opportunity to consult his olicitor under reasonable conditions?

Mr. COOPER: Every opportunity is iven to him to consult with his solicitor, ut it is obvious that his solicitor and ounsel must keep in very close touch. hat necessitates the solicitor and ounsel meeting, and one of them must ravel between Aldershot and London, nd it is obviously to his advantage that he solicitor should travel to London, ather than that the counsel should travel Aldershot.

Mr. MAXTON: What is the idea of the xed bayonets business?

42. **Mr. McENTEE** asked the Financial ecretary to the War Office whether Lieutenant Baillie Stewart has yet been informed of the charges against him and, if not, when the information will be furnished; whether he is aware that this officer had to perform his toilet under the guard of soldiers with fixed bayonets; and that he was refused the opportunity of consulting his solicitors before leaving Aldershot for an unknown destination?

Mr. COOPER: Yes, Sir, Lieutenant Baillie-Stewart has been informed of the charges against him. I am aware that an officer is present when the accused is shaving and that a sentry was present during the first few days of his arrest. As regards the last part of the question, the accused has been in continuous communication with his solicitors, although there may not have been an opportunity for him to consult them immediately prior to his departure from Aldershot.

Mr. McENTEE: May I ask why it is considered necessary, before a man has been found guilty of anything, that, when he is shaving with an ordinary safety razor, two soldiers with fixed bayonets should be on either side of him?

Mr. COOPER: Two soldiers were not present. In the early days a private soldier was present carrying the ordinary weapons which he would be carrying at any time. The commanding officer has replaced him by having an officer present while this officer is shaving. He is under a very serious and grave charge, and the reason must be obvious to every hon. Member of the House why the closest supervision is necessary.

GREAT BRITAIN AND UNITED STATES (DISCUSSIONS).

45. **Mr. LEVY** asked the Prime Minister if he can yet make a statement on the personnel of the British delegation to Washington to discuss the debts settlement?

The PRIME MINISTER (Mr. Ramsay MacDonald): I would refer my hon. Friend to the answer which I gave on the 22nd February in reply to a question by the hon. Member for Don Valley (Mr. T. Williams), to which at present I have nothing to add.

Mr. LEVY: Can the right hon. Gentleman say whether he proposes to go himself?

The PRIME MINISTER: That is covered by the answer I have just given.

WORLD ECONOMIC CONFERENCE.

46. **Mr. LINDSAY** asked the Prime Minister whether the question of the reduction of hours of labour will be considered by the World Economic Conference?

The PRIME MINISTER: As my hon. Friend is probably aware, this subject has been under consideration by the International Labour Organisation, and I cannot say at present whether or in what form it may come before the World Economic Conference. It is not included in the Draft Agenda prepared by the Preparatory Committee of Experts.

Mr. LINDSAY: Is it not the fact that the report of the International Labour Conference is not to be considered until July, and will the right hon. Gentleman not consider the inclusion of this very important question?

The PRIME MINISTER: It is not in my hands.

Mr. MAXTON: Having regard to the fact that world conditions have taken a very serious turn since the agenda was drafted, particularly in the United States of America and in Germany, do I understand from the Prime Minister that it will be impossible to add subjects to the agenda as now drafted?

The PRIME MINISTER: No, I do hope the House will not put that meaning on what I have said. It is not impossible to add subjects to those provided for by the Experts Committee, but, naturally, by the terms of the Conference, I am not going to invite all and sundry to overburden the agenda.

Mr. HICKS: In the event of it being possible to include the question of hours in the agenda, will the British Government give such a proposal their favourable consideration and sympathy?

The PRIME MINISTER: It is not merely the British Government which will have to decide on that matter. It will have to be decided in accordance with the ordinary rules of chairmanship.

Mr. HICKS: In view of the fac
at the Preparatory Conference at C
the British Government took up a
tude which was an unenviable o
my opinion, is it not possible fc
British Government to adopt a fr
attitude towards the question of t
duction of the hours of labour?

The PRIME MINISTER: That i
misapprehension of what was the
tude of the British Government.

Mr. H. WILLIAMS: Is the right
Gentleman bearing in mind that
House gave a considered decision o
subject last December, when it rej
a certain Bill by a very large majo

LAW CASES (APPEALS).

47. **Mr. TURTON** asked the Atto
General how many persons appeale
way of a case stated from courts of
mary jurisdiction to the High Cour
Justice during the year 1932; in
many cases was the appeal allowed
how many dismissed; and in how n
was the case remitted to the cour
summary jurisdiction?

**The ATTORNEY - GENERAL
Thomas Inskip):** During the pe
mentioned there were 62 appeals;
were allowed; 23 were dismissed
five cases were remitted to courts of s
mary jurisdiction.

49. **Mr. TURTON** asked the Ho
Secretary how many persons appea
from courts of summary jurisdiction
courts of quarter sessions during
years 1931 and 1932, respectively; in h
many cases the decisions of the court
summary jurisdiction were quashed
altered; and in how many cases th
were affirmed?

Mr. HACKING: Statistics for 1932 a
not yet available. In 1931, apart fr
appeals in affiliation cases and th
relating to rates and similar matters,
persons appealed from decisions of cou
of summary jurisdiction to quart
sessions; in 117 cases the decision w
affirmed without modification; in 96 cas
it was affirmed with modification
sentence; in 65 cases the conviction
order was quashed, and in three cas
the appeal was abandoned.

50. **Mr. TURTON** asked the Home ecretary how many persons appealed the Court of Criminal Appeal in the ears 1931 and 1932, respectively; in how any cases the conviction was quashed; nd in how many cases the sentence was uashed or altered?

Mr. HACKING: The statistics for 32 are not yet available. During the ear 1931 there were 513 applications to e Court of Criminal Appeal for leave appeal; in 30 cases the conviction was uashed, and in 35 cases the sentence was uashed or altered.

HOUSING.

LOAN INTEREST.

53. **Mr. HUTCHISON** asked the Chan-llor of the Exchequer whether, in view the high rate of interest now being id for loans under the Small Dwellings equisition Acts, he will consider the ssibility of floating a large conversion an to embrace either all such advances a portion of them, with the object of ducing the interest rate to the level of e interest on the late conversion loan?

Mr. HORE-BELISHA: I would refer y hon. Friend to the reply given to the on. Member for East Woolwich (Mr. icks) on the 10th November last, of hich I am sending him a copy.

SCOTLAND.

32. **Mr. DUNCAN GRAHAM** asked e Secretary of State for Scotland hether, having regard to the precedent 1928, when an extra year was granted r the completion of State-aided houses nder the 1924 Act in Scotland, and ving regard also to the desire that um-clearance schemes should be pro-cuted with the utmost vigour, he will prepared, in view of the anxiety of cal authorities to be informed of their sition after 1st October next, to make announcement now as to any extended te by which houses eligible for the esent rates of subsidy must be com-eted?

The UNDER-SECRETARY of STATE r SCOTLAND (Mr. Skelton): My right n. Friend fully appreciates the anxiety local authorities in this matter which at present under his consideration.

Mr. HICKS: Do I take it that steps will be taken to communicate to the authorities the end of the period during which the subsidy will be paid, in order that there may not be a rush, with men working overtime and then becoming unemployed? Would it be possible to communicate the dates upon which the subsidies will finish, in order that the work may be spread over?

Mr. SKELTON: I cannot add more definitely to my answer at the moment further than to say that the precedents of the previous occasions in 1926 and 1928 are being kept in mind.

LEAGUE OF NATIONS (NEW BUILDINGS, GENEVA).

1. **Mr. HALL-CAINE** asked the Secretary of State for Foreign Affairs if he can state how many contracts in connection with the new Palace of Nations at Geneva have been allocated to British firms; and what proportion of the total cost the value of these contracts will be?

Sir J. SIMON: The total estimated cost of the Palace of Nations at Geneva is 30 million gold francs, of which 4½ million francs have been generously given by Mr. Rockefeller to cover the cost of the new library. Up to date contracts amounting in all to approximately 15½ million francs have been allocated, and of these, two, amounting together to about 870,000 francs have been awarded to British firms. The proportion which the value of these two contracts bears to the total value of the contracts so far awarded is 5.6 per cent.

Mr. HALL-CAINE: Having regard to the large contribution made by this country towards the building of this house, does not the right hon. Gentleman think that Great Britain ought to have a greater share of the contract?

Sir J. SIMON: The matter, of course, is not one which can be decided by any one country. There is an international committee which considers tenders.

Sir PERCY HARRIS: Will the right hon. Gentleman say whether the tenders are competitive?

Sir J. SIMON: I cannot give a general answer to that question, but in the cases I have inquired into undoubtedly tenders were called for and examined one against another.

Captain CROOKSHANK: Does not the ight hon. Gentleman think this would e a very funny building if it were built n proportion to the contributions paid by ll the nations of the world?

ENTERTAINMENTS DUTY.

52. **Mr. BUCHANAN** asked the Chan-ellor of the Exchequer the total yield rom the taxation on entertainments up o and including 6d. admission; and the evenue derived from admission to inemas?

Mr. HORE-BELISHA: I am afraid hat the information desired cannot be iven, as detailed statistics of the Enter-ainments Duty at the various prices of dmission are not compiled, nor are any igures available showing the amounts of luty paid in respect of particular classes f entertainment.

Mr. MAXTON: How does that come bout? Are not the various stamps sold t their various prices, and should it not e possible for the Department to get he amounts of them?

Mr. HORE-BELISHA: Yes, but a num-er of stamps of small denominations may e agglomerated to pay for seats of a igher class, and it is impossible to tell.

Mr. T. WILLIAMS: Could not the hon. Gentleman obtain the information asked or in the question, and also information s to the reduction in the number of ttendances since the 1d. duty was im-osed?

Mr. HORE-BELISHA: I am afraid hat it is impossible. Naturally, when he question was put down, I did try to btain that information, but it is quite mpossible.

GERMANY.

Mr. BOOTHBY (*by Private Notice*) sked the Secretary of State for Foreign ffairs whether his attention has been rawn to the serious situation in Germany; whether he can give the House ny information on the subject; whether e is satisfied with regard to the security f British lives and property in Germany; nd whether he proposes to make any epresentations to the German Govern-ent?

Sir J. SIMON: I receive, of course, frequent reports from His Majesty's Ambassador in Berlin on the situation in Germany. There is no specific fact to add to the matters of fact already reported in the Press. As regards the safety of British lives and property, I must assume that the German Government will continue to discharge their responsibility in reference to British subjects and interests in Germany, and I therefore have no ground for making any representations to the German Government.

Mr. BOOTHBY: May I ask whether the Minister has seen the report in to-day's Press that the German Government intend to carry out a purge of its political opponents, following upon the alleged attempt upon the life of the Chancellor, and will he make some inquiry as to whether there is any truth in those reports?

HON. MEMBERS: Why?

Sir J. SIMON: I have already said that I am in frequent communication with our own Ambassador. I would remind my hon. Friend that the question that he put to me by the leave of Mr. Speaker had to do with the security of British lives.

Mr. LANSBURY: May I ask the right hon. Gentleman, not whether he will make representations to the German Government, but whether, in view of the statements that are very widespread in the Press to-day, he will ask the British Ambassador in Berlin to give him a report on the subject? The right hon. Gentleman himself has called attention in his answer to the fact that the Press contains a good deal of very alarmist news, and people with relations in Berlin wish to be reassured on the subject.

Mr. MICHAEL BEAUMONT: Before the right hon. Gentleman replies, may I ask whether he will bear in mind the necessity of allowing the Germans to manage their own affairs?

Colonel WEDGWOOD: Will the right hon. Gentleman make known to the German people the feelings of British subjects on this matter?

Mr. ALBERY: May I ask whether it is not still quite possible for British people to telephone, telegraph or write letters to Germany, and to get adequate replies?

Mr. MAXTON: May I inquire, as to the number of men who are now bearing arms in Germany, and whether the peace treaties that are being infringed——

Mr. SPEAKER: This is going much too far beyond the original question.

Mr. LANSBURY: May we not have an answer from the right hon. Gentleman as to whether he will ask our Ambassador in Berlin to give him a report on the present situation?

Sir J. SIMON: I was waiting to answer the Leader of the Opposition, but a number of other questions were put to me. It is, of course, part of my duty, and part of the Ambassador's duty, that we should keep ourselves in constant communication. I shall not fail to do my duty in that regard, nor, I am sure, will he.

VISITING FORCES (BRITISH COMMONWEALTH) BILL [*Lords*].

Order [28th February] that the Bill, as amended (in the Standing Committee), be printed, read, and discharged.

BILLS REPORTED.

MINISTRY OF HEALTH PROVISIONAL ORDER (CHESTER AND LANCASTER) BILL.

Reported, with Amendments [Provisional Order confirmed]; Report to lie upon the Table.

Bill, as amended, to be considered To-morrow.

MINISTRY OF HEALTH PROVISIONAL ORDER (ETON JOINT HOSPITAL DISTRICT) BILL.

Reported, with Amendments [Provisional Order confirmed]; Report to lie upon the Table.

Bill, as amended, to be considered To-morrow.

PRESTON CORPORATION BILL.

Reported with Amendments; Report to lie upon the Table, and to be printed.

MESSAGE FROM THE LORDS.

That they have agreed to,—

Public Works Facilities Scheme (Torquay Corporation) Bill, without Amendment.

CIVIL ESTIMATES (SUPPLEMENTARY ESTIMATE, 1932).

Estimate presented,—of a further Sum required to be voted for the service of the year ending 31st March, 1933 [by Command]; Referred to the Committee of Supply, and to be printed.

SELECTION (STANDING COMMITTEES).

STANDING COMMITTEE A.

Mr. William Nicholson reported from the Committee of Selection; That they had discharged the following Member from Standing Committee A: Captain Arthur Hope; and had appointed in substitution: Commander Agnew.

Report to lie upon the Table.

WRITTEN ANSWERS.

CAPE-CAIRO AIR ROUTE.

Mr. DONNER asked the Under-Secretary of State for Air whether he is in a position to state when the report of Lieutenant G. B. Grylls with regard to the ground organisation of the Cape to Cairo air service is likely to be made available?

Sir P. SASSOON: Lieutenant Grylls's survey of the ground organisation of the Cape-Cairo air route was primarily undertaken with a view to advising the Tangankiya Administration as to the improvement of aerodromes in that territory and to make recommendations for the allocation of the Beit Trust Grant for the improvement of ground organisation in Rhodesia. Numerous separate reports were made during the course of the survey, and they have not been collated into a single document. On this ground, and in view of the considerable expense which would be involved, my Noble Friend does not contemplate their publication.

IMPERIAL PREFERENCE (PALESTINE).

Mr. JOEL asked the Secretary of State for the Colonies if he is aware that the omission of Palestine from the benefits of Imperial fiscal preference so far as oranges are concerned is having an adverse repercussion on the prosperity of that British mandated territory; and whether he proposes to take any action in the matter?

Sir P. CUNLIFFE-LISTER: The question of granting Imperial Preference to Palestine products has received prolonged and careful consideration, but His Majesty's Government regret that, owing to serious juridical difficulties, it is not possible to grant preference.

ROYAL NAVY (SOUTH AFRICA).

Captain P. MACDONALD asked the First Lord of the Admiralty whether his Department was consulted by the South African Government before the South African Navy was recently reduced to less than a quarter of its former size; what is the annual amount now paid by South Africa towards the upkeep of the British Navy; and whether any alteration is to be made in the size of the squadrons of His Majesty's vessels now on the South African station?

Lord STANLEY: The Admiralty were consulted by the Government of the Union of South Africa before the recent reorganisation was determined. The Government of the Union of South Africa makes a small payment towards the maintenance of a staff officer at the Cape for liaison with the Naval Staff in London. The reply to the last part of the question is in the negative.

UNEMPLOYMENT (TRANSITIONAL PAYMENTS).

Mr. T. WILLIAMS asked the Minister of Labour how many unemployed persons are at present applicants for transitional payments; and what was the figure in January, 1932?

Sir H. BETTERTON: The number of applicants for transitional payments on the registers of Employment Exchanges in Great Britain at 23rd January, 1933, was 1,174,499. At 25th January, 1932, the number was 906,255.

AREA EXTENSION, CHEPPING WYCOMBE.

Sir A. KNOX asked the Minister of Health whether he has yet decided that the Corporation of Chepping Wycombe made out a *prima facie* case for the extension of the borough at the preliminary inquiry held at Aylesbury in September, 1932, and when the detailed inquiry will be held?

Sir H. YOUNG: I am not yet in a position to announce my decision, but it will be given as soon as practicable. If a *prima facie* case is made out, it will then be necessary for me to advertise proposals before a further inquiry is held.

CUSTOMS AND EXCISE DEPARTMENT (STAFF).

Mr. HICKS asked the Financial Secretary to the Treasury (1) the number of Customs and Excise senior chief clerks, chief clerks, officers with reserved rights blocking departmental higher clerical officer posts, departmental higher clerical officers (men), departmental higher clerical officers (women), departmental clerical officers (men), departmental clerical officers (women), S-class clerks, P-class clerks, temporary clerks (men), temporary clerks (women, respective grades), casual clerks, writing assistants, and members of the typing grade employed in the Customs and Excise Department as at the most convenient latest date; and the allocation of such officers to each office or sub-office in London and in the provinces.

(2) the number of higher clerical officers (men), higher clerical officers (women), clerical officers (men), clerical officers (women), S-class clerks, P-class clerks, writing assistants, superintendents of typists, shorthand typists (permanent and temporary respectively), typists (permanent and temporary, respectively), temporary clerks (men), temporary clerks (women) (showing respective grades) employed in the Secretaries' office, Accountant and Controller General's office and Statistical office, respectively, of the Customs and Excise Department as at the most convenient latest date?

Mr. HORE-BELISHA: I am sending the particulars requested direct to the hon. Member.

CORONERS.

Lieut.-Colonel MOORE asked the Home Secretary whether he intends introducing legislation with a view to revising the powers of coroners?

Mr. HACKING: My right hon. Friend does not contemplate any such legislation.

INDIA (BUDGET).

Captain FULLER asked the Secretary of State for India on what heads there has been an increase of Government expenditure in India during the current financial year, by how much revenue has fallen short of estimate, and the total amount of economies imposed to meet the discrepancy?

Sir S. HOARE: I am sending my hon. and gallant Friend a copy of a telegraphic summary of the Budget statement of the Finance Member of the Government of India.

BRITISH BROADCASTING CORPORATION.

Mr. DORAN asked the Postmaster-General when he anticipates that the British Broadcasting Corporation will submit to him the general reports and statements of accounts for 1932; and when he expects to publish them?

Sir E. BENNETT: The annual report of the British Broadcasting Corporation for the year 1932 has been submitted to my right hon. Friend, and will be presented to Parliament at an early date.

RHINELAND (MRS. TEBBITT, CLAIM).

Sir J. WARDLAW-MILNE asked the Secretary of State for Foreign Affairs whether he is now in a position to state what action, if any, has been taken in the case of Mrs. Tebbitt, who lost her property in the Rhineland during the period of British occupation?

Sir J. SIMON: I am at present in correspondence regarding the precise figures upon which a claim to compensation on behalf of Mrs. Tebbitt should be based, and any action on my part must necessarily await a reply on this point.

EXCESSIVE TAXATION.

3.35 p.m.

Mr. BOULTON: I beg to move:

"That this House views with anxiety the existing high level of taxation and diminishing revenues in this country, believes that this creates an intolerable burden on industry, and urges His Majesty's Government to consider means by which this burden may be lessened at the earliest possible moment."

It is in no mere spirit of carping criticism that I venture to draw attention to the matters mentioned in the Motion. I know how easy it is to air views and to level criticism on such a wide and absorbing subject, and how often the difficulties and the responsibilities of the Chancellor of the Exchequer are forgotten. A year or even six months ago, I should not have felt justified in making this Motion, but the position has materially altered, and now warrants consideration and examination, perhaps from a wider and different angle. The quickly changing circumstances of to-day do not leave very much room for the strictly orthodox. If we are to approach the present-day position with any hope of success, we have to do so with a wide outlook and an elasticity of mind to which we have hitherto been unaccustomed.

To the credit of the Government, three important things have taken place in our national life during the year, which have weighed with me in drawing attention to this question. The first is that financial stability has been restored and the conspicuous ability with which our finances have been handled by the Chancellor of the Exchequer has placed the credit of this country at a higher level than it has enjoyed for a very long time. The second factor is the reversal of our fiscal system, and the third is the Ottawa Agreements. These three factors have made for general stability. They have given us tremendous power, and solid ground as a jumping-off point for using that stability for constructive purposes. The limits of taxation have been reached and passed, as is shown by the declining Revenue and unemployment is at a terribly high figure, and, although the industrial outlook is brighter and there are definite indications of recovery, it is no use blinding our eyes to the fact that confidence is still lacking—the want of inducement t take business risks.

It has been pointed out that larg sums of money are lying at the bank waiting for investment and for industri development. That is true, but tha money constitutes the working capital o the country. What is to bring it int active use? Money, like everythin else, requires an inducement for use. I has to be given a fair opportunity t make a fair return for reasonable bus ness risk. It is beyond doubt that th heavy burden that is being placed upo our people and upon industry, especiall in high rates and taxes, is one of th main factors, if not the main factor, tha is stifling industry. It is an obstacle t creating the inducement to release tha great volume of working capital, whic is the lifeblood of industry. It is hardl necessary for me to remind the Hous of the distressing effects that high taxation is having on the many thousands o small investors who are living upon thei hard-earned savings, and have barel enough to keep a home together, bu who are bearing their hardships s quietly; but it is more particularly fron the industrial point of view and fron the point of view of the effects on unemployment that I want to draw attention to this matter to-day.

This country is taxed about one-thir higher than the next highest taxe nation in the world. What does tha mean to the competitive power of industry in the markets of the world? I reply to a question in this House as t what it would cost the Exchequer if al company reserves were released fron Income Tax, it was stated that in a normal year, at the standard rate of 5s in the £, it would cost the Excheque £60,000,000 a year. Think what tha means. With £60,000,000 in cash, yo could command £600,000,000 of credit That is some indication of what industry is up against. When we realise the conditions under which our industries ar working, and particularly the basi industries upon which we rely and upon which we shall have to depend for ou future existence, and the struggle tha they are engaged in against worl barriers, I would ask the House, can w afford to continue to allow the risk whicl industry in compelled to take at th present high level of taxation, or is i better to shift the risk and lighten some of the burdens that it now carries?

It is with the broader and more general effects of taxation that I am particularly concerned, but, if the House will bear with me for a few minutes, I would like to give one instance, even at the risk of covering ground which may have been fully covered previously but which I believe is typical of the manner in which excessive taxation is affecting trade, and, consequently, revenue returns. It has been the tradition of our Chancellors, up to quite recent times at any rate, to see that the distribution of taxation should be as fair and just as was possible. Can we claim that for the brewing and allied trades. So long as we are allowed to eat and drink, of course in moderation, what we wish, these trades have a right to receive as fair treatment as any other trades. I do not wish to bore the House with figures, but I should like to give one or two in support of my contention. I do not propose to give many, because they have been so recently published in connection with the deputation which visited the Chancellor of the Exchequer. I would remind the House that in 1914 the Beer Duty was 7s. 9d. per standard barrel, and in 1932 it was 114s. 8d. In 1914, the net standard barrelage was 35,178,000. It fell in 1932 to 15,576,000. The Chancellor of the Exchequer, speaking in this House on the 21st April, 1932, said:

> "I see in beer one of the great sources of revenue to the State, which has been for some considerable time declining, and which suffered a severe acceleration of that process by reason of the increase in the duty last September. I do not wish to see such a source of revenue permanently undermined."—[OFFICIAL REPORT, 21st April, 1932; col. 1762, Vol. 264.]

Let us see how this increased duty has affected the revenue of this country. In 1931, when the duty was 103s., the Chancellor collected from it, including Customs, £75,700,000. The estimate for the year ending April, 1933, the first full year of the increased duty of 114s. was £80,000,000. I am advised on very reliable authority that it is thought that the Chancellor will collect for the year —and this figure includes only two months for which the yield is estimated— £73,602,000. That shows a loss of £2,000,000 as compared with the amount that he collected in 1931, when the duty was 103s., and is down by £6,000,000 on the estimate of 1932. At the present rate of loss, what is the year 1933-34 going to show? If it were a question of a decrease of £6,000,000 only, it might, perhaps, not be so perturbing, but how much additional loss is my right hon. Friend going to suffer in Income Tax and Surtax, on farmers' profits—if there are any—on maltsters' profits, which have fallen by 77 per cent., and on the profits of allied trades, in Death Duties on lower values, and in Schedule A licence duties in respect of public houses and buildings. Moreover, what is he losing in unemployment payments? Taken together, these losses must represent a very large total.

It is difficult to estimate the number of those who have been thrown out of employment, but I think a very reliable indication is given by the wages bill, which shows a fall of 10 per cent. in the actual wages paid on the manufacturing side of the brewing industry, not including the allied trades. If we take all these into account, it must represent a very serious number of persons who are unemployed. I do not wish to labour the point further, for these figures speak only too clearly for themselves. I have only selected this trade because it has always been the most fruitful source of revenue. I hold no special brief for the brewing trade, but I do for justice. I think that the Chancellor of the Exchequer has the sympathy of the large majority of Members of this House, for he inherited this legacy from his predecessor, but I sometimes wonder what Lord Snowden's thoughts must be when he reflects on one of the greatest Budget miscalculation that, I suppose, has ever been made. He may, of course, have had other motives; I do not know; but I am always inclined to think, much as I sympathise with the temperance reformer, that he usually destroys his own case by being too intolerant.

What of the future? How are we going to replace these diminishing revenues? The present high level of taxation is ceasing to perform its natural function. What is going to be done? Unfortunately, my right hon. Friend who is going to reply will not tell me. But this April is the crucial time, and will decide and set the seal on what we can hope to achieve in the lifetime of this Parliament. It is the situation that I have outlined that

[Mr. Boulton.]

brings me to the definite conclusion that, however heterodox it may appear at the moment, my right hon. Friend might deflect the course of the financial ship a little with a view to escaping still fouler weather. The Government favours a long-term policy. I have no quarrel with that, but why not apply that policy when reviewing the whole field of taxation? The balancing of the Budget requires no stressing, but I suggest that the Government might take a three years' view of taxation. I may be thought bold, but I suggest that they might reduce the Income Tax by, say, 1s. 6d. in the £. I believe it would have an immediate and beneficial effect, but close observation of the result of that relief for a few months would quickly gauge the effect. Suppose we were down by £50,000,000 or £60,000,000, and a lesser amount in the second year, that surely need not perturb us. You still have ways and means to correct that.

If my calculations are correct—and I do not think they are very far out—there will this year be added some £40,000,000 to the National Debt. Who can doubt that it would have been fatal if the Chancellor had produced a Supplementary Budget to meet the prospective deficit by imposing taxation? Cannot we apply the same method and precedent in the event of there being a deficit in the first or second year? But the third year I believe you would get a rich reward. Although the conditions are different, I do not see why history should not repeat itself. I am not alone in that belief, for there are many men with far greater experience than I have, better qualified to speak than I am, and whose views are worthy of consideration, who hold the belief that I am expressing. I believe that the bold treatment of the disease of taxation by such means as I have suggested would do more to restore confidence and put heart into our people and into enterprise than anything else. The patient requires a changed treatment. I do not think there will be very much disagreement with that. Our Chancellors up to late years have kept the patient in splints, and have bound them ever tighter as each April came round. The circulation of the patient's blood has been somewhat overlooked. Relax the taxation bandages and strip some of them off, and see how the improved circulation of the blood will go far to invigorate the whole body politic. Increased purchasing power in the hands of the people will create demand, which will be reflected in every trade, and in our export trade, and will remove the greatest obstacle to greater employment.

It will be said, of course, that it is easy enough to suggest a reduction of taxation, but how can it be met, and what of the risk? The risk of the reduction of taxation is incomparably less than that of maintaining it at its present high level and maintaining 3,000,000 people in enforced idleness at a cost of £130,000,000 a year. At any rate, in present conditions I contend that at least it would be a sound and legitimate risk which the Government would be justified in taking and would be well advised to take. Such a risk is lightened by our restored stability, good credit and the increased power that we have in our hands from our tariff policy and the Ottawa Agreements, which have given us an entirely new outlook. We have also had the great Conversion Loans carried through with dexterous management and truly worthy of this country's financial reputation. That has given us some £30,000,000. There are two sources which my right hon. Friend might call to his aid to meet any problematical risk. If we have to borrow for the Sinking Fund, I would waive the Sinking Fund and reduce taxation. A real surplus is simply a surplus of revenue over expenditure. If there is no surplus, what is the use of borrowing to replace one form of debt for another? I, therefore, say suspend the Sinking Fund if necessary until better days. I will not trouble the House by quoting precedent or authority but I cannot do better than recall a letter recently written to the "Times" by my right hon. Friend the Member for Hillhead (Sir R. Horne) which, no doubt, will still be fresh in many of our minds.

But the most fruitful source from which my right hon. Friend can draw, and one that I particularly wish to stress, is the reduction of unnecessary and wasteful expenditure. Ever since the War, Governments and local authorities have spent on a colossal scale, and much of this has been expenditure of an unproductive nature which should properly be deerred to a time of greater prosperity. n a word, we must cut our coat ccording to our cloth and the fact that ve have not carried out that practice is think the cause of much of our difficulies in taxation. We are advised to pend wisely, and I entirely agree, but et us see to it that we discontinue and ut out now all expenditure which has een found to be unproductive. There an be little doubt by anyone who has aken the trouble to study the expendiure on some of our services that for nuch of it we are getting insufficient alue. It is wise and intelligent rerenchment that I advocate and not imply shifting the burden from one ection and harming another.

Since I put this Motion down I have een inundated with correspondence and uggestions from all parts of the country. shudder to think what my right hon. riend's postbag must be, but I do want o remind him, in case he should have verlooked them, of the official and unfficial economy reports. The conclusions nd recommendations of those reports esemble each other in a very marked egree. I had myself the privilege of erving, as a very humble Member, on he latter Committee. It has never een suggested that any individual ember could be expected to agree with ll the recommendations made in that eport, but I do say that those reports hould be a guide and a value in showing he road to very substantial savings, and will be interesting in due course to earn how far our labours have been ppreciated.

The right hon. Gentleman the Member or Darwen (Sir H. Samuel), if I undertood him correctly, has given us to nderstand that the objects for which His ajesty's Government were returned to ower may be said to have been achieved. submit that the first object may be said o have been achieved, but the second, nd no less important, has yet to be aced. Retrenchment falls within that ategory, and is not the least urgent, as e have been sharply reminded by the ery disagreeable shock we have had in he publication of the Civil Estimates. I efuse to believe that the Civil Estimates, s issued, are the last word of the Govrnment in the matter of national conomy. It would be contrary to everyhing that my right hon. Friend has told s, that is, that the limits of economy have not yet been reached. But it shows how vitally necessary the question of retrenchment is, and I am sure the right hon. Gentleman the Member for Darwen would not think me offensive or impertinent if I were to say that the attitude of himself and his followers has puzzled me a good deal, as, indeed, it does puzzle a very large number of their former supporters in the country, for, after spending a long summer's day with our Nationals, now in the wintry weather they are experiencing they appear to be finding an excuse for contemplating seeking warmer quarters. I say with all sincerity, is not their spiritual home standing side by side with the Government in pressing forward and supporting their own well-established principle and as a barrier against the peril as represented by hon. and right hon. Gentlemen opposite? I feel sure that I shall have the support of the right hon. Gentleman and his followers for this Motion, for, after all, it embraces one of the oldest and most cherished Liberal principles—retrenchment and reform.

I wonder if it is any use my appealing to those who sit on the opposite benches? [AN HON. MEMBER: "Not an earthly."] I would, however, like to remind them, if I may be allowed to repeat what I ventured to say in this House when speaking some short time ago, that the question of Income Tax is not a class question. It is an industrial question, for every point of taxation imposed adversely affects, either directly or indirectly, the very poorest. Our social services are founded on a sound and prosperous industry. Destroy the foundation, and what becomes of your social services? Surely this question is worthy of their reconsideration, if for no other reason than in the interest of that great mass of unemployed persons who are expecting and waiting, not without hope, for some relief from their distress. It is with that object in view, and with that in view primarily, that I have ventured to move this Motion.

I must apologise to the House for having detained it longer than I intended, because I know there are many Members who wish to speak. In conclusion, I would say that to-day we have got to view these problems with a broad mind, with common sense and courage, boldness with prudence, the nation expects.

[Mr. Boulton.]

Timidity it will not tolerate. What I have ventured to advocate I can assure my right hon. Friend is in no lighthearted spirit, but from deep conviction, and it is with all humility that I do submit and stress that the time has now come when the Government should seriously consider the reversal of its taxation policy. I can well imagine and appreciate what such a change must mean to anyone who is responsible for the nation's finances, but I, for one, trust and believe, and I am sure that my right hon. Friend will face this issue with his accustomed, traditional family courage.

4.8 p.m.

Sir JOHN WARDLAW-MILNE: I beg to second the Motion.

I congratulate my hon. Friend the Member for Central Sheffield (Mr. Boulton) on having secured first place in the Ballot, and I may tell him that there are a large number of Members who have spent a good many years in this House who have never been so fortunate. I also congratulate him on his perspicacity and judgment in bringing forward a Motion so timely and important when the House is pressed on all sides and from all parts of the country to take its courage in both hands, to reduce taxation and at the same time to incur a good deal of new expenditure. It is one of the difficulties of a discussion of this sort that one is apt to be accused, perhaps naturally, of putting forward contradictory ideas in one speech. I am quite certain that what I have to say this afternoon will certainly lay me open to a charge of that kind, but I think that the extraordinary conditions which we are passing through at the present time justify any departure from precedent in these matters, and, in fact, our difficulties cannot be got over so far as the remedies are under our control here at home, except by both expenditure and economy.

I well remember, and many other hon. Members will also recollect, the speech of the Chancellor of the Exchequer when he introduced his Budget about a year ago. At that time he said that the path of financial stability was hard and stony, and the road long and weary, and he added that the whole country was crying out for relief from taxation. At that time my right hon. Friend the Chancellor of the Exchequer, perhaps naturally, did not feel able to give that relief for which the country was crying so bitterly. I do not quarrel with that, but I think it is clear that what may not have been possible a year ago may certainly be possible to-day. The position is not whether you can produce a complete and an accurate balance sheet which will enable you to reduce taxation. These are not the conditions under which this country to-day can look at this matter. It is not a question only of justice. Everyone will agree that the taxpayer, to whose self-sacrifice eloquent tributes were paid a year ago, is well deserving of relief, but it is not only a question of justice, it is a question purely of economic accountancy. In our own interests, we cannot go on without industry being relieved of the burden of taxation which is bearing upon it. It is a truism, but it possibly bears continual repetition, that not only, as my hon. Friend has said, does all taxation come out of industry, but that everything we have, every emolument, every salary, whatever our occupation, primarily comes out of productive industry, and unless we can keep that industry prosperous and enable it to expand, there is no other economic subject that is worth discussion in the country, because on that all depends.

Therefore, if we are to spread the immense burden which this country is bearing over larger tracts of the production area, it can only be done by making industry prosperous. For that reason alone, quite apart from any question of justice, it is to our interest to see what relief will give an impetus to enterprise and will put new life into existing industry. I think there are three causes which prevent that expansion of industry which we all want to see. The first of these is concerned with conditions all over the world. Industry, above all other things, wants industrial world peace, which means political peace. It wants, if possible, to be assured that the ordinary political conditions of the world are not likely to be violently upset, as, unfortunately, there is every sign they are going to be, in the East at any rate, at the present moment. In that regard the Government can do no more than it is doing at the present time. It means international agreement and international negotiation. It means support for the objects of the League of Nations whether the League gives all the result we would all like to see at once or not. I do not suggest that the Government can do more in that direction than it is doing to-day, but international agreements in regard to War Debts and other matters are fundamental.

The second cause is the uncertainty of our own financial policy. In that connection I venture to say that there is a great deal we can do, and, much as I admire what has been done by the National Government, in many directions, it is, to my mind, the one direction in which they have not advanced as they might have done. I have great hopes of my right hon. Friend the Chancellor of the Exchequer, whose recent speeches in the country together with the answer that was given in the Chamber this afternoon, show quite clearly that he, at any rate, is convinced that there can be no return to the Gold Standard until the conditions which made such a standard possible in the past are re-established in the world.

I wish I could feel quite certain that those who have the daily management of our currency matters were as convinced of that as is the Chancellor of the Exchequer. I am afraid that there is still grave doubt about the views still held by those who are responsible for the timid and vacillating policy in currency matters imposed upon us immediately after we were forced off gold. That policy, apparently, was based upon the idea that there would be some violent upheaval and that the people of this country would rush away from their own money, and as a consequence the policy of an unnecessarily high bank rate was followed for months. I do not want to labour that fact—it has passed—but I hope that those who are responsible for our currency policy to-day are as convinced as the Chancellor of the Exchequer evidently is, judging from his recent speeches, that there is no chance whatever of the return of this country to any Gold Standard until the conditions which make that standard possible can again be set up. Fortunately, to back up any opinion that may be expressed in this House, we have now the views of the experts of the nations and of those responsible for drawing up the Agenda of the World Economic Conference. If anybody has any doubt as to the certainty that you cannot return to gold in the near future he has only to read the conditions which they set out as being fundamental before any such restoration can take place.

I do not know whether these matters will be discussed at the World Economic Conference or not. I fear very much, in spite of the conditions laid down, efforts will be made to try and drag this country back to gold before those conditions are fulfilled. We were forced off gold with great and unnecessary expense to the taxpayer when we should have gone off ourselves months before. Leaving that aside, I would say that in this second difficulty—the question of our financial policy—I desire to congratulate the Government upon what they have done, and particularly upon the working of the Exchange Equalisation Account, which, I think, has been of immense benefit to trade in this country. The whole country has benefited since we went on to sterling and our trade has expanded directly as a cause of it. The Government, however, should make clearer than they have done up to now what their financial policy in future is to be, and how they propose and intend to raise wholesale prices. It is the goal to which they have referred over and over again, and quite rightly, as being the principal aim they have in view, in keeping with the rest of the world, but I think they should make it plainer than they have so far done how they propose to set about it, and, above all things, they should make it clear that we intend to stick to sterling and that sterling is to be our money as far ahead as we can see at the present time. Since that period to which I have referred—the period of weakness in policy on the part of the Bank of England and the Treasury—I think you have to combine them—we have had a period of cheap money.

One extraordinary thing is to be found in the speeches of many of the great bankers in this country. I think that it is only right to put these things quite plainly. At the annual meetings of some of these banks I read that it is a matter for congratulation that the balances on deposit in the great banks have gone up £200,000,000, and, presumably, equally a matter of congratulation that the advances to industry and trade have gone down £130,000,000. It is not a matter for congratulation at all. To stand at a

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table and express satisfaction that the deposits in the banks have grown and to refer to that as being a sign of prosperity appears to me to be only possible on the part of those who have never had anything to do with trade or industry at all. Cheap money has been offered. The reason why the trader does not take that cheap money, and will not accept it, is, first of all, the difficulty of the international situation and the uncertainty in that connection; secondly, owing to the want of a quite definite statement regarding financial and Government policy; and thirdly, because he is absolutely tired of having the Government as a 25 per cent. partner in his industry, taking that share, or a larger one, of his profits but bearing no share of his losses. We are told constantly by Government speakers, bankers, economists and all kinds of people that we are suffering from a lack of confidence. It is true, but the lack of confidence is not something you cannot explain or understand. It is not a psychological phenomenon. It is not something which is going to come right by itself. It is something which we can do a great deal to ensure that it will pass away without very much delay. We can do that, as I have said, in three ways.

I may be told that I have not suggested any definite way in which the Government can set about raising prices. It is hardly usual to expect private Members in this House to put forward definite proposals, but I intend doing so to-day, although I am perfectly well aware that they will not meet with universal acceptance. I say quite frankly, having declared that sterling is not a makeshift but is going to be our money for a long time to come, and making the best progress we can in the settlement of international affairs, such as War Debts and the like, our definite aim should be to consolidate within the Sterling Union, and particularly within the Empire, the exchange rates of the countries concerned on as close a basis as possible. The whole world, and particularly the Sterling Union, is waiting for a lead in this matter. It can be done, and the World Conference should then devote itself to fixing as closely as practicable the basis of exchange between the sterling and gold countries.

Mr. HERBERT WILLIAMS: On point of Order. I do not want to spo the speech of the hon. Member. It very interesting, but it seems to be ver remote from the Motion, and there wi be no opportunity on the part of hon Members to reply to arguments fro which they dissent.

Mr. SPEAKER: I do not, as a rul like to interfere with Debates on private Member's day, but I was jus reading the Motion when my attentio was called to it. I am bound to say tha I do not think that the speech of th hon. Member has anything to do with i

Sir J. WARDLAW-MILNE: May draw your attention to the fact, M Speaker, that I am endeavouring to ex plain the measures which, in my view will enable the Government to reduce th burden of taxation. May I further poin out that the Motion distinctly urges th Government to consider means by whic this burden may be lessened. I ventur to suggest to you, Sir, that it is useles making statements merely declaring tha a reduction in the burden upon industr is essential. Everybody knows that.

Mr. SPEAKER: If the hon. Membe leads up to it, it will be all right, bu he is taking a long time in doing it.

Sir J. WARDLAW-MILNE: I thin that the hon. Member for South Croydo (Mr. H. Williams) should permit me—an I have not taken very long—to develo my argument in my own way, nor do ask the House for its indulgence as ofte as he does. I get back, perhaps in roundabout way from his particular vie of the subject, to the means by whic this burden may be lightened. I wa saying that there are these three cause which directly bear upon the difficultie of carrying on prosperous industry an make it essential that that burden o taxation should be reduced. I have lai stress upon the financial action which th Government should take, because I d not think that you will get any expan sion in industry until the points wit which I have dealt are dealt with an until traders have some security as t the future in that regard. If anyon suggests any form of reflation in thi country we immediately hear talk of th dangers of inflation. We hear tha everywhere when any body suggests tha prices should be raised by monetar action. It is true, however, that while retail prices have only dropped half-way down the hill, wholesale prices have dropped to the bottom. Therefore, before any rise should take place in the level of retail prices there is a long way up the hill for wholesale prices to go.

I should have liked to have dealt further with these matters if the occasion had been appropriate, but in view of the anxiety of my hon. Friend to speak on the burden of taxation, he will perhaps allow me to do something which I would rather not have done, and that is, to give him some little idea of what that burden is and of the difficulties with which industry is faced. On the figures which were ascertained for 1913 it was estimated that the total wealth in this country amounted to something like £16,000,000,000 on the gold basis figure of that date. To-day gold prices are very much the same as they were in 1913, a little lower, and consequently probably that figure is not very far out to-day. Just think of the position of the industrialists in this country if that is our total wealth and the country, that is productive industry, is bearing a burden of mortgage debt equal to 50 per cent. almost of its total wealth. There is no other country in the world bearing such a load. Our total National Debt is greater than that of the United States, France and Belgium put together. It is true that if the conditions under which we were working previous to the War had continued it might even have been possible for this country to bear that debt load, but it is certainly one to-day which makes it almost impossible for industry to prosper.

If we are, therefore, in the position that it is impossible for any Government to reduce its taxation, industry must be very prosperous to carry it. That prosperity could be assisted by inflation which I definitely and clearly recommend. I believe that the country has suffered far more than is fully realised from a long period of deflation and that it is high time we reversed the process. We are told that inflation does not help industry at all. It would raise wholesale prices and by so doing would benefit, not only this country, but the whole world. It is so very easy to talk of the dangers of inflation but that talk has been overdone.

The second way is by economy. Like my hon. Friend I recommend to the Government the official and unofficial reports on possible economies. Those economies, however, cannot immediately meet the situation, and I believe that you could make certain economies by further expenditure in the right direction. Economies are badly needed where we are wasting money. That is the real economy. But there are certain economies which you can make by spending money. For example, you have the case of unemployment pay alone—the enormous payment of £100,000,000 a year for the benefit of those who are unemployed. Anything which could be done to employ them would mean at once that you were making economies by spending money.

I want to give to the House something which, at first sight, hon. Members may say is entirely fantastic, but I will give it to them as an instance of what is in my mind. Why do we not scrap the Navy altogether, and rebuild it, of course within the limits of the most recent agreements with other nations? Why not scrap the Navy? All your battleships are 16 or more years old. They will be out of date any way, if they are not so already, before you can replace them. Scrap the Navy gradually and replace these ships by up-to-date vessels, even by a smaller number if you like. You would spend less on upkeep and it would give employment, not only in building, but throughout the heavy trades of this country. It is not so fantastic as it seems at a first glace. I am not suggesting that it should be done out of current revenue, but I do suggest that a loan of a hundred millions for that purpose would enable the Government to save a very large amount of money in other ways. We have two or three capital ships only which are less than 16 years old. I do not pretend to be an export on the Navy, but one does not need to be an expert to know that your battleships which are 16 years old and your cruisers which are 10 years old are getting out of date, and it is doubtful whether it is good economy to go on paying money for the upkeep of vessels so nearly obsolete. It is better to raise a definite loan for the rebuilding of the Navy within such limits as have been laid down in the various international

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agreements and set aside £7,000,000 or £8,000,000 a year for interest and sinking fund.

I hope that in the equipment of the railways, of which we hear so much, the necessity will be considered of providing a big supply of larger capacity wagons and of transferable wagons from road to rail. I think the right hon. Member for Tamworth (Sir A. Steel-Maitland) wrote or spoke about that matter the other day. That is a development in regard to which other parts of the world are setting a very good example to us. There is a great deal that might be done in that direction. In these matters the Government may require to act, but when one comes to consider the question of private enterprise, one is faced with the fact that it does not matter how cheap you make money in the banks the trader will not avail himself of it so long as these immense taxation burdens are upon him, and so long as the State takes such a large share of his profits.

I agree with my hon. Friend who moved the Motion as to the necessity for a reduction in the taxation of beer. There, again, it is not a question of the justice of the case. I do not say that because some hundreds of people, it may be that some of them are ladies, have sent me postcards on the subject. Other hon. Members have also received postcards. If anything would make me disinclined to propose a reduction in the taxation on beer it is the receipt of these postcards. Some of the writing runs from one line into another and it would appear that the subject was a very vital one at the time in the minds of those who wrote them. From the point of view of mere economic accountancy it is not paying us to tax beer as we do at the present time. I entirely agree that a reduction in this form of taxation is desirable from the working man's point of view, although I do not consider him the only person worth consideration in this connection. The postcards that I have received would lead one to believe that only the working man drinks beer. A great many other people I can assure the writers are interested in the taxation of beer, besides the so-called working man. The increased taxation of beer is not bringing in the expected revenue. It is causing unemployment, it is causing los of rates, it is driving a large number of retail traders out of business and it is not doing any good to the State or anyone else. Leaving aside the question of justice and the question of the rights and pleasures of the working man, this is a question that the Chancellor of the Exchequer will no doubt consider very seriously in connection with future Budgets.

I understand that my right hon. Friend the Lord President of the Council is going to reply. I hope that he will forgive me if I say that the bulk of Members of this House—I say this with no disrespect to the Prime Minister or to any other Member of the Government—are looking to him more than anyone else to give us a lead in putting things in order and in measures to give industry a new opportunity of prosperous working. No one understands and appreciates the position of the traders of this country better than my right hon. Friend, and no Member of the Government understands these problems better than he. Many of us remember the time in 192 when he took his political courage in his hands in order to bring about a new order of things he considered essential and which is now accepted. His proposals were refused by the people then but they have now been accepted. Just as the tariffs for which he fought then are forming the backbone of our return to prosperity to-day—[*Laughter*]—There is no doubt about it. If hon. Members have the slightest doubt about that statement, they will be able to put their case if not to-day on some other day and we shall be glad to prove our statements. There is not the slightest doubt, however, that the real proof of success—perhaps this will please some hon. Members better—of our tariff policy will be the bringing about of free trade throughout the world. The extension of fair and freer trade throughout the world will be, I repeat, the greatest proof of the success of that policy.

I want to echo what was said by my hon. Friend who moved the Resolution, that the House has waited very patiently and the country has waited very patiently for action to relieve our present distress. Much I agree has been done but more is wanted. The House will accept almost anything from this Government except weakness and timidity. It will attempt almost any new scheme that can be brought forward, and will admire and support I believe any proposals, however drastic, if they really deal with the situation. Every one of us, wherever we may sit in the House, wants industry to be restored to prosperity, but that cannot be done except by bold measures, by the Government saying: "We are dealing with exceptional times, times just as exceptional as in the days of war, and these times require exceptional methods. We care nothing about what may be the ordinary practice in normal days."

The idea of suspending the Sinking Fund may appear to those who live in the past as something too horrible to be considered seriously. We must wipe out that idea altogether. Suspend the Sinking Fund, raise the loan of which I have spoken—which, no doubt, will be described later as fantastic—and rebuild the Navy. That cost would be a mere bagatelle. Some £5,000,000, £8,000,000 or £10,000,000 a year would give you your interest and Sinking Fund, and you would save more than that in regard to unemployment benefit. The Government may not accept that idea. I press nothing in detail upon them to-day but I say that the whole country is waiting for a lead from the Government, and in the end it will be judged by what it has done for industry and unemployment and by that test alone.

4.39 p.m.

Mr. COVE: I beg to move, in line 1, to leave out from the word "House," to the end of the Question, and to add instead thereof the words:

"realises that the existing level of taxation is largely due to expenditure on unproductive services, views with anxiety the growing burden of indirect taxation upon the working classes, and will resist any attempt to reduce direct taxation by further economies in the social services."

I should like to congratulate the Mover of the Resolution on the selection of the subject matter and the manner in which he presented his case. I am very much interested in what he said and I am sure the whole House appreciated his argument. I am glad that this subject has been raised, because it gives me an opportunity of stating, perhaps in an imperfect way, the position of the party to which I belong. We believe that it is impossible within the confines of the capitalist system to give a high standard of living to our people. We believe that out of the present system, in spite of the fact that we have enormous productive capacity, we have not the machinery to distribute that produce amongst the people. The Seconder of the Resolution said that the whole of his party were looking to the Lord President of the Council more than to any other Member of the Government to see that the trade of the country had fair play. He appealed to the right hon. Gentleman to remember the position of the industrialists and the traders of the country.

I want to appeal to the right hon. Gentleman on another score and to ask him to tell us to-night, and also the many thousands of people outside, whether the Government are still maintaining the principle of equality of sacrifice which they evoked during the crisis. At that time the Government stated that the country was in a crisis and all the citizens must make sacrifices towards the recovery of the nation. There were cuts in the pay of the police, the Army, the Navy, and the teachers of round about 10 per cent. The benefit of the unemployed was also cut 10 per cent. I want to ask the right hon. Gentleman whether he can reassure me and reassure the unemployed and all the other classes that there will be no relief of direct taxation unless there is also relief of the cut classes, that if the addition to the Income Tax that was put on during the crisis is to be removed then, at the same time, the Government will also remove the cuts that were put upon various people. I hope that the right hon. Gentleman will be able to reassure not only industrialists and traders, but the cut classes who were involved in the principle of equality of sacrifice.

I was much interested in some of the arguments of the Mover and Seconder of the Motion, but I do not think they established their case. I do not think they made it clear that taxation is a burden on industry. It was not made clear to my satisfaction that if we were to remove taxation there would inevitably flow from that fact a revival of trade. As a matter of fact, all the economic opinion that I have been able to consult, including the most exhaustive inquiry that was made in 1925, 1926, and 1927 by the Colwyn Committee, is in the opposite direction. The Colwyn

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Committee came to the conclusion that taxation was not a burden upon industry, that direct taxation did not enter into prices, that the producer did not, for instance, charge a price higher because there was a 5s. Income Tax than when there was a 4s. Income Tax.

I remember the late Chancellor of the Exchequer, Lord Snowden, before he became Chancellor of the Exchequer, making a statement on this subject when he sat on the Opposition benches. He said that taxation was levied after profits had been made. That fact establishes the point that taxation is not a burden on industry, does not enter into prices and does not rob us of our competitive power or interfere with the necessary capital needed for the development of British industry. It was abundantly proved by the Colwyn Committee, in the conditions which then existed, that there was sufficient capital not only to finance industry but to finance a substantial increase in trade, and what was true then is doubly true to-day. If the prosperity of British trade depended on the supply of capital British trade would be prosperous at this moment. The seconder of the Motion pointed out that there were millions of pounds lying idle, rotting. You have this condition to-day, on the one side, you have human labour and human beings rotting under our present system of society and, on the other, capital rotting, wasting, lying idle. There is plenty of capital available for effective investment in industry, and there need be no concern on that point. The Colwyn Committee directed special attention to the fact that public companies were largely financing their own industry out of their own reserves and savings; that the great bulk of the new capital needed was being provided by the companies themselves.

Let me draw attention to this important point. If the case put forward by the hon. member in this Motion has any truth in it, if hon. Members opposite really mean business, there is only one way in which they can relieve the burden of taxation effectively and that is by examining the figures of the Budget and tackling those items which really are costing money. What is the main item of cost in the Budget for 1932-33? It is the gigantic item of the unproductive Debt. Look at it. We have an estimated expenditure of about £760,000,000, and out of that over £300,000,000 is raised for the purpose of paying interest on the National Debt, that is to say, that about 45 per cent. of the taxation raised in the Budget goes to pay the interest on the National Debt. That is just a shifting over from one set of people to another, a re-distribution of the national income of this country. I remember Lord Snowden saying—I am sure he will be accepted by hon. Members opposite except when he talks about tariffs—that the rich classes of this country were not paying for the Army, the Navy or the Social Services, that the wealthier sections of the community were making little or no contribution to the maintenance of the Navy and Army or the Social Services, that their contributions through direct taxation went back into their own pockets in the form of interest on their investments in the National Debt. As a matter of fact, the direct Income-tax payer to-day is not even paying a sum sufficient to pay for the interest which that class is drawing from the War Debt.

The whole burden of the Social Services and the maintenance of the Navy and Army rests upon the shoulders of the working classes, through the medium of indirect taxation; and I say that if you are going to tackle this problem at all you cannot escape the National Debt. You must cut it down, and not merely by conversion loans, for we shall never get rid of it in that way. Let me refer to that famous report which lowered British prestige so much and helped to create the panic and crisis through which we passed last year—the May report. The figures were evidently got out by one of the Departments. An exhaustive and detailed analysis of national expenditure is given in that report, on page 235. They give the total figures of the increase of budgetary expenditure for 1931-32 over 1913-14, and say:

> "From the foregoing table, it will be seen that out of a total increase of £633,318,000, no less than £318,498,000, or 60.24 per cent. is on account of Debt, War Pensions, etc., and if there be added the increase in respect of Defence Services £33,334,000 as being generally related to like purposes, the increase is £414,832,000—namely, 65.50 per cent. of the total increase.

These are staggering figures. They show that 65 per cent. of the budgetary increase in expenditure for 1931-32 over pre-War is due to the Debt and Defence Services. They go on to say:

" Next in order of increase are the Social Services. To the sum of £99,945,000 there has to be added £12,324,000 increase under grants to local revenues that is £38,324,000 ess £26,000,000 for de-rating) showing a otal increase of £112,269,000—namely, 7.73 per cent."

Therefore, 65 per cent. of the increase n expenditure in the Budget is due to Debt and War Services and 17 per cent. o Social Services. If the principle of equality of sacrifice is to be applied; f there is to be any equity at all, if you are going to deal with this on principles f sound economy, you must cut down hat 65 per cent. burden before you touch he 17 per cent. burden. A reference has been made to the burden of local rates; but in that case there are assets for loans, ocal authorities have millions of pounds worth of productive assets, houses, electrical works and tramcars, all of them roducing wealth now and will produce wealth in the future. But here is an unroductive burden, and a burden behind hich there are no real assets at all. his is one of those curious things, an nreal, intangible thing to the extent of £400,000,000 with no assets behind it; waste. It is only real in the sense that t brings in dividends to those who own t. That is the only reality behind it, xcept of course the reality of the terrible onsequences which resulted from the xpenditure of the money during the War eriod.

A reference has already been made to wo reports, the Rentoul Report and the ay Report, and it is suggested that in ese reports we have the lines of policy hich the Government should follow. hat does that mean? It does not mean onomy on war Debt but economy on e Social Services. The Mover and econder of the Motion did not go into y detail, they sheltered themselves hind these Reports, but I am sure that e Lord President of the Council will t be much frightened by the Rentoul eport. Everybody ran away from it, d I see a consequence of it sitting on e bench behind the Government. The pression I got was that some people re prepared to say, " We do not mean at; we do not subscribe to every item; e do not want it to be known too oroughly by the public, but what we are subscribing to is the cutting down of the services of education and the health services, and, generally speaking, curtailing and crippling the Social Services."

I do not understand finance and currency, but it appears to me that the Mover and Seconder of this Motion put forward two entirely contradictory propositions. They pleaded for inflation, high prices, but at the same time advocated a thorough-going policy of deflation, which is absolutely contradictory, because an economic policy is a policy of deflation, of the curtailment of spending power. It was said that everything depends on a productive industry. No one disagrees with that, but the health and well-being of productive industry does not begin and end with the production of the commodity. It goes into the realm of selling the commodity. Productive industry must have purchasers; there must be spending power. The health of productive industry depends much more upon the ability of our people to spend than on the need of capital. There are millions of capital lying idle and there are millions of unemployed. No one can say that 15s. 3d. a week will keep a man decently, that it will provide a decent standard of life.

The amazing thing, the tragic thing is that some hon. Members opposite think that 6d. in a rich man's pocket is far more economic for the nation than 6d. in a working man's pocket. There have been demands for 1s. 6d. off the Income Tax. What for? To rot in the banks? What are you going to do with it when you have it? It may be £30,000,000 or £60,000,000. There are those who say, " It does not matter. Let us have the money, even if it means an unbalanced Budget." The sanctity of a balanced Budget has gone. I ask hon. Members opposite to tell us how that money, if it is saved, can be productively employed. It would weaken our opposition to the Motion if hon. Members could tell us that. The fact of the matter is that they know full well that what they are pleading for to-day is the financial easement of a class of people in the nation at the expense of the health and the physical and mental development of the vast masses of the people. Only 6.35 per cent. of the increase in expenditure is due to education. Education has been

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cut down. I have here other figures which to me are extremely important in relation to this Debate. On page 237 of the famous May Committee's Report we have an analysis of the amount that the Budget has taken out of the national income pre-War and 1931-32. The report gives tables in detail and makes this comment:

> "It will be seen that the proportion of expenditure to national income has risen from 7.4 per cent. in 1913-14 to 18.93 per cent. in 1929-30, an increase of 11.53 per cent."

So that you have now in the Budget an increased expenditure out of the national income of 11 per cent. over pre-War. See how it is made up. What are the items that cause it? You have gone up from 7 per cent. pre-War to 18 per cent. in 1929-30. Here are some figures:

Debt interest and management, 7.06 per cent.; Sinking Fund, .87 per cent.; War Pensions, 1.36 per cent.; Social Services, 1.41 per cent. The first three items together account for 9.29 per cent. You have had an increase of expenditure in relation to national income of 11 per cent. Of that 11 per cent., 9 per cent. is due to War debt in the main, and 2 per cent. is due to the social services. Take the subject of education. You are spending a lower percentage of the national income on education to-day than you spent pre-War. It is quite evident that if you are going to deal with this question you cannot avoid dealing with the War debt.

I want now to come to one or two other points. I have been interested in finding some figures which would show the relationship of direct Income Tax to unemployment. It has been stated here to-day that a high level of taxation results in a high number of unemployed. There are no facts in existence to bear out that assertion; there is no correlation at all. I have figures here from 1922 up to the present time. Income Tax for a number of years was 4s. Take the years 1926 to 1930. During those years you had a 4s. Income Tax. Look at the unemployment figures. They have varied from quarter to quarter and from year to year. They have changed while Income Tax remained exactly at the same level. Unemployment figures have fluctuated between 19 per cent. and 9 per cent. I agree that there is one relationship between the expenditure of the Budget and unemployment, but it is not the relationship mentioned on the other side to-day. The relationship is this: If you have millions of unemployed you have to tax in order to try to keep them somehow. High taxation is not the direct cause of unemployment, but unemployment is a cause of higher taxation. If you can solve the problem of unemployment you will relieve your budgetary expenditure to that extent.

We believe that it would be a monstrous injustice to relieve the direct taxpayers and forget the "cut" classes. It would be a monstrous injustice to take 6d. off the Income Tax and not put that 10 per cent. back for the unemployed. I do not believe that the public conscience of this country would stand it. What you want at the moment is not more capital. That is lying rotting and idle in the banks by millions. What you want to do is to increase the purchasing power of the people. Instead of blowing up the Navy and putting it back, digging a hole and filling it up again, and all that sort of thing, why not scrap your slums? It would be a good thing if you gave enough money to the unemployed to scrap their old clothes and to buy new suits. It would be a sound economic proposition to give money to the children in my division and other divisions so that they could buy the boots they want. That would set the boot factories going. Industry to-day wants greater purchasing power among the people. The party to which I belong has the right policy. It says that the economic health of the nation and the social stability of the people depend in the long run on the standard of remuneration, on the rate of wages they receive, and that employment can be provided only when a higher purchasing power is put into the people's hands.

Mr. LOGAN: I beg formally to second the Amendment.

5.14 p.m.

Sir SAMUEL ROBERTS: I wish first of all heartily to congratulate my colleague in the representation of Sheffield on his good fortune in selecting this subject, and on making a speech of such a calibre as to interest the House and the country—a speech that will be of particular interest to his constituents in

heffield when they have an opportunity
f reading it to-morrow. The subject of
he Motion is one which at the moment
rouses the intensest interest. Every-
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scertain whether they are excessive or
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taxed.

There is, for instance, the case of the
obacco Duty. That is a tax borne by
he consumers of tobacco. As far as we
now it is not borne to any grievous
xtent by those who make or distribute
bacco. On the other hand, the Beer
uty seems at the present time to have
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gain, the Entertainments Duty. It
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ntertainment. But it is a bad tax when
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that way a touchstone whereby it is
ssible to judge whether or not taxa-
on is excessive and evil.

I do not wish to deal with any of the
bjects which have been dealt with
ready except one mentioned by the
over of the Amendment. He used the
t-repeated statement of the purist that
rect taxation, as such, has no evil effect
on industry, in that it is a tax upon
ofits, after the profits have been ascertained and therefore does not appear as a charge upon the particular commodity concerned before that commodity is sold. I agree that Income Tax is better from the point of view of industry than rates, because rates are definitely a prior charge on production. But to say that direct taxation is no injury to industry is very far from true. In order to build up a sound business it is necessary to put aside money year by year and accumulate a reserve. Those businesses which have prospered chiefly in the past and which are now able to weather the storm are those which have been able to put aside large sums for development and for meeting the storm when the storm came. At a time when taxation is very high the tax is borne first by the industry before it comes on to the actual taxpayer. It has to be paid out of the company's profits before those who are running the business can see what they will pay in dividends and what they will put to reserve. Those who are conducting a business look to see what they will pay in dividends after they ascertained what is to be paid in taxation. It may be said that you deduct the taxation when you pay the dividend, yet, from the practical point of view, when profits are small you are naturally inclined, first, to pay a reasonable dividend before you put to reserve——

Mr. ANEURIN BEVAN: Is it not the case that before any taxation is paid, the Inland Revenue authorities make allowances in respect of extensions and replacements and matters of that kind?

Sir S. ROBERTS: The Inland Revenue authorities allow a certain amount for depreciation. They do not allow for any depreciation in value on buildings and nothing for extension, nothing for development and nothing for improvement. It is very difficult to get what is called obsolescence allowance.

Mr. COVE: Surely not?

Sir S. ROBERTS: It is very difficult indeed to get any adequate allowance under that head. But hon. Members opposite appear to be trying—though I do not say that they are doing it wilfully—to divert me from pursuing a rather complicated argument and I must try to get back to that argument. As I was saying, when profits are lean and when the question arises as between reserves and dividends, the natural inclination is

[Sir S. Roberts.]

to pay a reasonable dividend, taking into account the taxation that will be deducted from what goes into the pockets of the shareholders. The natural inclination is to pay that reasonable dividend before putting anything into reserve. That is one point. Another point is that at the present time when reserves are taxed so heavily, necessarily much less goes to reserve than would be the case if taxation were lower. If only 15s. goes to reserve where 20s. went formerly, then, consequently, the amount of reserves are considerably less than they would otherwise have been and these are the reserves from which all industry must refit and from which all new industrial developments must be produced.

These facts are obvious to anyone with a knowledge of business management, but there is another point which is not quite so obvious. There is the question, not merely of the effect of taxation on profits, but of the effect of taxation on the psychology of the man who is thinking of new developments. That consideration is most important. I mention one instance of which I have heard, and, while I do not know of the case myself, and am not prepared to say that it is true, yet it is a case which sounds likely, because it is in accordance with human nature. It is the case of a dentist who, when the Income Tax was increased at a certain period, ceased to work on Saturdays. He said that he was being taxed so heavily that he was going to enjoy one more half-day off in the week. That is human nature and we all have our human instincts—on this side of the House just as on the other side.

Then consider the case of a man who has thoughts of investing a large sum in a new enterprise. He gets out his plans, specifications and figures and he sees that if he invests that sum in that enterprise it is likely to bring him in 10 per cent. There is of course the risk of the enterprise going wrong. There is no enterprise devoid of risk. He calculates that out of the 10 per cent., 2½ per cent. is going to be taken for Income Tax and possibly another 2½ per cent. for Surtax, leaving him a return of only 5 per cent. Such a man will then consider that if he invests that sum of money in some established business—and at the present time, outside of trustee securities, any wise investor can easily find a safe investment at 5 per cent.—he will get a return, after deducting taxation, of 2½ per cent. on his money. Thus the only margin between taking the risk of the new enterprise and investing outside his business at 5 per cent., is a margin of 2½ per cent. In those circumstances a great many people would prefer not to have the worry, work, anxiety and risk of going in for some big development for such a small margin. This, I may say, is not an entirely imaginary case. I say nothing more than that.

I have to offer one concrete suggestion. I think we ought to try from our own experience to suggest anything which we think might be helpful, and the matter which I wish to mention deals directly with taxation, because it deals with the question of reserves. I suggest that the Lord President of the Council might consider issuing a bold prospectus to the nation—if you like to call it so—to say that anyone who was willing to start some capital reproductive enterprise and start it now would get certain facilities. Proposals would have to be passed by a committee—which ought not to take too long—and if a scheme is found definitely to be a capital reproductive enterprise, then let it be registered with the Inland Revenue authorities who would allow that man or that firm, out of the profits of that enterprise or other profits of the same concern, to set aside the capital value of that enterprise during the next 10 years over and above ordinary depreciation. I believe there would be such a flood of people coming forward with new enterprises as would very quickly cause a substantial deflation in the numbers of unemployed, and by reducing the number of unemployed as quickly as possible you would be reducing the enormous amount which is now being paid week by week for unemployment benefit. The one main way to keep down future taxation is to reduce the vast expenditure of this country. At the present time our taxation is a grievous burden upon all classes, and we confidently look to the Government to take some steps in regard to it. We are grateful for this opportunity of bringing the matter before the Government and of showing, as humble private Members, how strongly some of us feel on this question. We appreciate the opportunity and we hope for results from it.

5.27 p.m.

Mr. LAMBERT: The speeches delivered for and against this Motion have been of a very high order. I desire to join in the Debate because this is an old subject of mine and I remember some 10 or 12 years ago from the opposite side of the House moving a Motion in favour of rationing Government Departments. I would first offer some observations on the speech of the hon. Member for Aberavon (Mr. Cove). He advocated a policy of equality of sacrifice. He represents, I understand, the National Union of Teachers.

Mr. ANEURIN BEVAN: He represents his constituency.

Mr. LAMBERT: I make no suggestion whatever against the hon. Member, but I understand that he has some special connection with the National Union of Teachers, and he complained about the cut of 10 per cent. made in the teachers' salaries a year ago. Let him come to my constituency among the cultivators of the land and he will find cuts, not of 10 per cent. but of 50 per cent., and if there is to be equality of sacrifice the cultivators of the land are entitled to as much consideration as the teachers. The hon. Member spoke of increased purchasing power. What does that mean? It means that the Government are to enable the people to buy more commodities. A very large percentage of those commodities will come from abroad. How can those commodities come from abroad unless something is produced here to pay for them? If you increase purchasing power without increasing production surely hon. Members realise what must be the result.

Then the hon. Member referred to unemployment and said that taxation had nothing to do with unemployment. That theory cannot be maintained in these days. We have got in the world now the highest taxation since the War. We have never had taxation so high as it is in this country now, and we have never had unemployment at so high a level. I do not understand the hon. and learned Member for East Bristol (Sir S. Cripps) smiling. I understand that he is appearing in a case in another place, and if he presents a sound argument like mine there, as I suspect he does in his legal capacity, quite different from what he does in his political capacity, I am not surprised at his having the admirable record that I understand he has.

I am very glad that this Motion has been moved. I do not wish to condemn the Chancellor of the Exchequer or the Government, because, after all, the Government succeeded to a terrible heritage. It is an appalling problem that the Chancellor of the Exchequer has had to face, and there is no doubt that the Government have restored the credit of the country to such an extent that money is coming here from abroad to be invested. But I do say that unless there is a rise in prices or a reduction of taxation, there must be a default on many of our fixed public charges. The hon. Member said that taxation does not matter at all. I was brought up in the school of Mr. Gladstone, and I am not ashamed of it. In fact, I am an ardent Gladstonian to-day, though I do not know whether there are many of us left. This is what Mr. Gladstone said about taxation:

> "It is a characteristic of the mischiefs that arise from financial prodigality that they creep onwards with a noiseless and stealthy step; that they commonly remain unseen and unfelt, until they have reached a magnitude absolutely overwhelming."

That was Mr. Gladstone's dictum, and he was a greater financier than any man in this House, especially any man on the Front Opposition Bench. Under that system of rigorous economy the wage-earning classes increased their prosperity amazingly.

Mr. LANSBURY *indicated dissent.*

Mr. LAMBERT: My right hon. Friend the Leader of the Opposition shakes his head. I remember, and he does as well as I do, the days in London when there were soup kitchens and all sorts of things, children without boots or shoes, and so on. You do not see that to-day, and the standard of life in this country has increased enormously, but it will go down if taxation continues to be piled up as it is to-day. I feel quite convinced of that.

Mr. LANSBURY: I dissented in regard to wages. Under Mr. Gladstone's great Budgets the wage of an able-bodied workman, with a wife and family, in East London was 17s. or 18s. a week.

Mr. LAMBERT: My right hon. Friend will agree with me that the standard of life as a whole has increased.

Mr. LANSBURY: The right hon. Gentleman was backing up Mr. Gladstone's greatness.

Mr. LAMBERT: Certainly, because I think Mr. Gladstone was the greatest financier this country has ever produced.

Mr. LANSBURY: He was the greatest —well, never mind.

Mr. LAMBERT: I am very glad to have the Lord President of the Council here, because I am glad that the Conservative party is taking up this question of economy. I always think they have been devoting too much attention to tariffs and too little to taxes. I remember in this House Sir Michael Hicks-Beach, who was a great Conservative statesman, and he was the last man to follow Gladstonian finance. They called him "Black Michael." I believe he had a considerable vocabulary for his colleagues, but I do not suppose that 30 years hence my right hon. Friend the present Chancellor of the Exchequer will be called "Black Neville"; I do not think he is quite so stern. For the past 30 years we have always been spending money to overcome political difficulties. This has got to cease. I have said it here before, and I shall keep on saying it. We had it on Irish land, and I was a Member of the Government that spent a great deal of money on social services and £1,000,000 was voted for the Welsh Church. Then came the War, and since the War we have had an orgy of expenditure.

I have come to the conclusion, which has been fortified by the Debate to-day, that the extension of the franchise in this country has made it impossible for this House to be the guardian of the public purse. The whole system since 1918 has been one of bribing the electors at the taxpayers' expense. I am sorry to say it, but there it is, and no longer is the House of Commons the guardian of the public purse. It is always raiding the public purse, and everything which is done here now and demanded in the way of social services, and so on, always means spending more of the taxpayers' money. I think it is a fatal policy. What I am going to suggest may sound strange, coming from an old Liberal, but I am quite convinced that we ought to have a revising Chamber for these questions of finance. It cannot be the present Upper Chamber—it must be non-hereditary—but there should be some check upon a Government spending money, particularly at the behest of the House of Commons.

Especially do I say this when I hear the arguments from the other side, which are very powerful, and were put very powerfully, I have no doubt, at Rotherham the other day. There must be a greater check on expenditure. We know that, in this House especially, whatever the Cabinet proposes, we carry. The Cabinet has enormous power. We had an example of it the other day on the Austrian loan, when everyone spoke against it, but it was carried. We know, too, that in the last Parliament, owing to the fear of a Dissolution, we had Land Taxes passed by a combination of Liberals and Socialists. I did not join in that combination, but there it was, and there certainly should be some revision of such combinations and such expenditure.

I have thought this over very carefully, and after a long experience of this House, I have really come to the conclusion that it is essential, if we are to get a reduction of taxation in this country, that there shall be some revising Chamber, in order that Governments of the day shall not have an unlimited right to spend money. There is also such an enormous power in the hands of the Prime Minister. He can always threaten a Dissolution of Parliament. I remember Sir William Harcourt once saying to me here, "There is nothing that the House of Commons dislikes so much as a General Election." Therefore, naturally, Members of Parliament will vote under pressure for many things for which they would not vote if they were not in fear of a General Election. I do not propose to occupy more of the attention of the House. I have said my say. I think that what I have suggested would be of great advantage, and I press it on the Lord President of the Council, who, after all, is the master of the great legions in this House. The Conservative majority is enormous. Do let him think of this question of a revising Chamber, not only for legislation, but also for finance.

5.40 p.m.

Mr. J. P. MORRIS: The hon. Member for Aberavon (Mr. Cove), who moved

e official Opposition Amendment, in
e course of a very informative speech,
on which, from his point of view, I
ngratulate him, stated what, to my
nd, is a new viewpoint of political
ilosophy. He stated that the people
ho pay Income Tax and Super-tax in
ect do not pay it at all, in that the
erest on the War debt services is re-
rned to them. All that I can say to
n is that, among many of my friends,
know it is a fact that on the occasion
their payment of Income Tax last
onth, and on the two occasions last
ar, they did not think they were not
ying Income Tax, because in many
ses they had to have recourse to their
nks for an overdraft to meet the de-
and. The hon. Member also stated that
would be difficult to visualise how, and
here, the money could be spent that
ould be saved by a reduction of 1s. 6d.
the pound in the Income Tax. My
ply to that question is that, if such a
racle were possible, the industry of the
untry would welcome at once all the
vings that would be caused by such a
duction, owing to the increased con-
ence created in industry. Confidence
gets confidence, and that added con-
ence brings out in the English charac-
r that innate quality, the spirit of
venture. The spirit of adventure opens
t many avenues wherein risk and specu-
tion may play a part and employment
found for our people.

Of all the subjects that one could
oose for the purpose of a private Mem-
r's Motion, none, in my opinion, is so
rthy as that of excessive taxation. No
bject compares in importance or
avity with that of the intolerable
rden of excessive taxation which we
ve in this country at the moment. It
a subject which should command the
divided attention of this House, and I
ust that this House will send a message
such terms and with such an over-
elming vote that at last His Majesty's
overnment will realise that something
al and effective must be done to reduce
is intolerable burden of taxation which
crippling our industries to-day. Let
be frank and honest. Let me ask:
as not every Conservative Minister in
e National Government promised a re-
ction of taxation and economy? Was
t the word Retrenchment in the battle
y of the old Liberal party? The right
n. Member for South Molton (Mr.
Lambert) proudly said that he was an ardent Gladstonian. It was always a Gladstonian dictum to reduce taxation to the lowest possible limit. I hope, therefore, that the Liberal Members will support this Motion.

All those who supported the National Government at the last election advocated a reduction of taxation. In fact, the party to which I have the honour to belong put the reduction of taxation and economy as a corner-stone of their programme. Did we not buoy up the hopes of the business community that if we were returned to power we would make an effective reduction in taxation and have real economy? I am not unmindful of what the National Government have achieved so far. I know that by the Debt Conversion scheme £23,000,000 has been saved and that in the Budget of last year economies to the extent of £79,000,000 were effected, but still Income Tax is 5s. in the £ and more taxes were imposed in the last Budget. This ogre of taxation is destroying the enterprise and confidence of our people. I ask myself why it is that the competitive power of industry has become so impaired since the War. Why is it that from occupying the first place among the nations of the world in the matter of exports we have fallen to third place up to a few months ago? There is only one answer—costs which have been swollen by taxation. Statesmen of a generation ago advocated the lowest possible taxation as the keystone of the archway of industrial prosperity. This country to-day is taxed double and treble compared with its chief competitors. No matter where we look we discover that we are in an unfair competitive position, and never in the history of the world was there such an example as in this country of the dead weight of taxation.

This question is undoubtedly the most important and urgent one before the people of the country. Every economist, industrialist and banker has issued warnings and continues to issue warnings of the dangers confronting us. The leaders of commerce and industry, who have their fingers on the economic pulse of the country, issue similar warnings. I make bold to say that until we effect a real and substantial reduction in taxation there is no possible hope for an improvement in trade or employment.

[Mr. Morris.]

We must recognise the cardinal fact that excessive taxation impoverishes the home markets and deprives industry and enterprise of the capital which is essential to successful development, the capital which is the life blood of industry, without which it is impossible for it ever to achieve its former prosperity. I am only a back bencher, and I do not wish to be presumptuous, but I would like to warn the House not to be lulled into a false sense of contentment and complacency that all is well. Prosperity is not just round the corner, and it is futile to talk of prosperity while the tax gatherers of the country are draining dry the resources of individuals and of industry. I know that it is all very well talking in this strain and not advocating a remedy, but in the short time at my disposal it is not possible to develop the points that I would like to put before the House.

I do suggest, however, that the Government Departments should be rationed. Lord Oxford, who spent many years at the Treasury, said in 1924 that in his opinion the only possible way of dealing with this question was by rationing the Departments. If it is right to ration the spending departments of a business house, is not that policy worthy of consideration for the spending Departments of the Government? Before the War we had 15 Ministries; now we have 19. The number of employés has increased from 11,000 to 43,000, and the cost of administration from £6,000,000 to £22,000,000. I know that a reduction there would be only a small saving compared with the amount that would be desirable to effect any real improvement, but still it would be a march in the right direction.

The Beer Duty has been referred to to-day. Last year I voted for the Government in the retention of the Beer Duty, because, in my opinion, at that time there was no certainty that we would not have a supplementary Budget, and I did not feel disposed to support legislation for the remission of taxation until it was known for a certainty whether or not the country was out of the wood. To-day, however, the position is very different. From the figures supplied, I find that the revenue from beer is estimated to be £2,000,000 less than in 1931 and over £6,000,000 less than the forecast of the Chancellor of the Exchequer in presenting his Budget. On top o that, of course, there is the loss to th country caused by increased unemployment and the reduced Income Tax du to the reduction in profits of the farmer and malsters. That is a point whic the Government ought seriously to consider.

The Government have been placed i possession of the reports of the unofficia and official committees on economy, an I am certain that by a close scrutiny o those reports the Government would fin plenty of ways in which to reduce taxation. I appeal to my right hon. Frien the Lord President of the Council to ac firmly and courageously, and to reduc taxation to reasonable limits. The on thing that industry needs to-day is room to breathe, and nothing would give mor life to it than the knowledge that excessive taxation was to be reduced to reasonable limits. It would restore confidence to industry, and that confidence by increasing employment, would bring to the Treasury an increased revenue An increased confidence in industry would bring to the people who are unemployed hope and a better outlook. I appeal to the Government to proceed fearlessly with this reform. I am certain that along the line of reduced taxation they will earn for themselves a place in the annals of this country which centuries will never efface, and that they will attract themselves more favour than any of their predecessors have done.

5.56 p.m.

Mr. McENTEE: I would summarise the speech of the hon. Member who moved the Motion in this way:

> "Eighteen pence off Income Tax and a
> penny off beer;
> Accept these two suggestions and the
> dole will disappear."

The hon. Member tolds us that taxation was excessive and that, as a consequence, industry was suffering keenly. He went on to say that not only were the owners of industry suffering but that it affected the poorest of the poor. Then he told the Government how in his opinion taxation ought to be reduced, and his only suggestion seemed to be 1s. 6d. off Income Tax and a reduction in the Beer Duty. The only suggestion which I heard from the hon. Member who seconded the Motion was that we should smash up the ships of the Navy and immediately start

-building. All the arguments of the over and Seconder and of those who pported the Motion were for a duction of direct taxation. No sug-estion of any kind has been made that ere should be any reduction in indirect xation. I have tried to find out the asons for these suggestions and the urce from which they emanate.

I find that the Federation of British dustries have been sending annually the Government for some years eir views as to what ought be done by the Government. ey said that what was needed was a bstantial reduction in direct taxation, d in a book, a copy of which every ember received, I have no doubt, they ent rather carefully into the question the social and other services and their st, and put forward suggestions as to w those services should be dealt with d how taxation generally should be ndled. A table of figures prepared by e Federation of British Industries in gard to the unemployed is very teresting to me. They stated that in 31 the rate of benefit for a man and ife and three children was 33s. a week d the rate of benefit for a single man as 17s., and suggested that if those enefits were reduced to correspond to e fall in the cost of living from the ak point to the percentage existing at at time—it was about a year or so go and I believe the percentage was 23 the figure of 33s. would be reduced by per cent. and the figure of 17s. reduced y 33⅓ per cent. They suggested that e following allowances would be dequate, apparently, or at least all that e country could afford—for a single nemployed man, 11s. 4d., and for a arried man with a wife and three ildren, 17s. 4d.

Those industrialists were asking, and a large extent they succeeded in ducing, the Government to give them nsiderable reductions in taxes and in tes. I have in mind arguments dvanced by the Federation of British ndustries in connection with the De-ting Act. We were told that if the oncession of de-rating were made an crease in prosperity would undoubtedly llow. They got the concession, and I ave figures here which show that very nsiderable reductions were made in tes—which would benefit them to xactly the same extent as the reductions in taxation which they are now advocating. The figures are an estimate, it is true, but they are as accurate as such estimates can be. The engineering trades, including marine engineering, benefited by de-rating to the extent of more than £2,000,000, shipbuilding by £400,000, the chemical trades by £600,000, the coal industry by £3,100,000, and the cotton and spinning trade by £1,500,000.

Some 11 or 12 industries, the principal ones in the country, got relief approximating to £17,000,000. That ought to have been a very considerable help to industry, but will anybody dare to say that there is any evidence of prosperity having come to industry in consequence? Everyone who knows anything about it will agree that all those payments to the owners of industry have simply been used to enable them to live a more luxurious life. No Member of this House can show me any evidence of any increase in prosperity in any industry as a consequence of the derating proposals. The main proposal of the Mover of the Motion is a reduction of 1s. 6d. in the Income Tax. The Mover of the Amendment, in an effective and brilliant speech, put a question to the Government which I would like to reinforce: "What can be done by the people who benefit as a consequence of a reduction of the Income Tax by 1s. 6d. or any other sum which can in any way lead to greater prosperity? No answer has been given to that question, and I venture to say no answer will be given. As the Mover of the Amendment said, "Is there really any shortage of capital in industry?" If there were, it might be a legitimate argument to say that a reduction of Income Tax would enable capital to be provided, but every hon. Member knows that so far from there being a shortage of capital there is a surplus.

Mr. HOWARD: What about the Cunarder?

Mr. McENTEE: The hon. Member had better ask those who are on the Treasury Bench. That is hardly a question to be put to me. There is plenty of money for a dozen Cunarders, for 100 Cunarders, in fact, for 1,000 Cunarders. I am not exaggerating when I say there is sufficient idle capital in this country to build 1,000 Cunarders. The seconder of the Motion suggested that the Navy should

[Mr. McEntee.]

be scrapped. He said every ship in it should be broken up and rebuilt. It will take a good few Cunarders to equal the Royal Navy, and I think the hon. Member who interrupted me had better meet the seconder of the Motion, in the Library or somewhere else, and settle whether the scrapping of the Navy or the building of two Cunarders is of the more importance to the unemployed and industry. I have been pointing out that there has been no sign of increased prosperity having followed derating, although it was a considerable financial concession to industry. When they were advocating derating the industrial magnates of the Federation of British Industries told us that it would lead to a great increase in prosperity. In reality that has not been brought about; derating has been followed by a far greater depression in industry than existed previously. But the causes are very much deeper.

I would like to say a word or two with regard to direct and indirect taxation, because, in view of the statistics we have, it is interesting to note that we should be asked still further to reduce direct taxation. It could only be done—other things remaining the same, as they are likely to do—by a further increase in indirect taxation. In one year the proportions between direct and indirect taxation have undergone a very remarkable change. In 1931-32 indirect taxation represented 34.12 per cent. and direct taxation 65.88 per cent. Between 1931-32 and 1932-33 the percentage of indirect taxation rose from 34.12 to 39.06, and the percentage of direct taxation fell from 65.88 to 60.94. In that one year the people who paid direct taxation, who are generally the people represented by hon. Members opposite, did very well indeed in their efforts to shift the burden of taxation from their own shoulders on to the shoulders of the people who, in the main, pay indirect taxation. How have they done it? I do not want to weary the House with a statement of how it has been done, because everyone knows that it is not an easy explanation to give, and it would take more time than the House would like to give me in which to deal with it, but these figures have occurred to me in connection with the figures I have just given. In 1931-32 indirect taxation represented, roughly speaking, £1 and direct taxation £2—broadly speaking, one was double the amount of the other—whereas in 1932-33 £1 of indirect taxation is represented by £1 10s.

How is that change reflected in the every-day life of the people? The social services have been ruthlessly cut down, taxes have been increased on almost everything that the average poor citizen uses. Hundreds of things have been scheduled for taxation, and as a result the poor are more heavily taxed and the rich are more lightly taxed. Now we are being asked for further relief for industry, though not one word has been said by any speaker who is in favour of this Motion to show how industry could be relieved to the benefit of the people generally. It is true that the Mover of the Motion said the poor would benefit, but he gave no evidence in support of that assertion; he just made the statement and expected us to accept it on his assertion. All the evidence is against it, because de-rating which was a reduction in local taxation—but, all the same, taxation—did not lead to greater prosperity but to a greater lack of prosperity.

In regard to the Beer Duty, let me say frankly that if we were considering the taxes which have to be imposed on different industries it would be my personal view, though I am speaking as a total abstainer, and as one who has no interest in and no great love for the beer industry, that there is a measure of injustice in the tax imposed on that industry at the present time. The beer industry is doing very well, in spite of all that may be said to the contrary. I have a set of figures with me taken from the "Economist" dealing with the beer industry, among other trades. I do not know that it matters about reading all the figures, but I notice that the dividends paid in the industry as a whole, during the past seven or eight years, have varied between 17 per cent. and 14.7 per cent.

If those figures are right they prove, I suggest, that the industry is well able to stand a good deal in the way of a reduction of beer prices before the workman, who is generally supposed by hon. Members in this House to be in want of beer—[*Interruption*]—well, it is not general, but fairly general—the industry would stand a reduction of beer prices, if such a reduction were necessary, and

till would be able to pay fairly good
ividends. I am not very much con-
erned about that, because it is a matter
f minor importance. I am concerned
hat any reduction made in taxation
hould be made in a way that will bene-
t the indirect taxpayer, and that if
here is any increase in taxation, the
irect taxpayer ought to pay and not
he indirect taxpayer. The indirect tax-
ayer has been compelled during the
ast year, and for a number of years, to
ay taxation very much in excess of his
apacity to pay.

If a vote is taken to-night on this
Motion, I have not a shadow of doubt
hat we shall be beaten by people with
nterests to serve. Many of them are
dvocating here the policy of the
Federation of British Industries, from
whose requests to the Government I have
quotation. The Financial Secretary to
he Treasury will know all about that.
have no doubt that he has had an
pportunity of reading these communica-
ions as they have from time to time
een sent to the Government. The Gov-
rnment are fairly subservient to that
et of interests, which are able to dic-
ate policy to the Government. The Gov-
rnment pay far more attention to those
nterests than to the majority of the
eople who vote for them at General
Elections or at any other elections. They
re far more influenced by the class of
eople who form the Federation of
British Industries.

No argument has been put forward—
one could be put forward, because there
s no such argument—to prove that a re-
luction of taxation would benefit in-
lustry to the extent of increasing trade
r of increasing the number of workers
ngaged in any trade. As a matter of
act, it was stated by the Mover of the
Amendment that the arguments and the
igures are against it. The reports of
ommittees and commissions set up by
he Government are also against it.
There is no possible argument that you
ould put forward that could induce any-
body, except an interested party, to vote
n favour of a further reduction in taxa-
ion that would in no way benefit in-
lustry but would benefit industrialists
personally, enabling them to live a more
comfortable life and to enjoy more of
he luxuries, which many of them enjoy
almost to superfluity to-day. There is
not a shadow of proof that any such reduction as is advocated in the Motion would be of the slightest benefit to the great mass of the people, to whom I adhere, for whom I speak and whose opinions I desire to voice in this House.

6.20 p.m.

Mr. NALL-CAIN: Before discussing the Motion, I would like to say a word or two about the speech made by the hon. Member for West Walthamstow (Mr. McEntee). He said that a reduction of taxation would not benefit industry. If one starts from the idea that there is only a certain amount of money in the country, if the Government take that money the individual cannot spend it on a great many things. If the individual spends it on extra boots, it is obvious that that must help the boot industry. If there is more money in circulation, industry is helped and more people are put into employment and made better off. We are all in favour of doing anything that will help industry and help more people to get employment and wages. When wages are better, there is more money in circulation, and this country is more prosperous.

I would now like to turn to the subject of the Death Duties. I expect that the Opposition will agree with me, not on the subject of Death Duties, but on the subject of spending capital as income. If a Budget takes £80,000,000 a year as capital and spends it as income, that is not a good thing. Signor Mussolini can be taken as an example of a man who has made his country more prosperous. One of the first things that he did was to do away with Death Duties. All Death Duties are very bad. Some people think that if the money from Death Duties is used to reduce the capital Debt of the country that is all right. I have heard it said this afternoon that the Sinking Fund ought to be done away with; if that is so, the Death Duties ought to be done away with also. I do not think that the use of Death Duties to pay the capital Debt of the country makes any difference to the people who pay those Duties. Money goes out of the country, and gets spent as income, and that is bad.

I want to say a few words about Death Duties upon agricultural land. It may sound like an Irishism to say that agriculture is the greatest industry in this country. When Death Duties are imposed

[Mr. Nall-Cain.]

upon agricultural land, that industry is deprived of capital which is more necessary at this time than it ever was. Agricultural properties have to pay, perhaps 20 per cent. or 30 per cent. in Death Duties. The land is being sold, and the farmer is having to buy his own farm. He therefore uses up capital which he ought to employ on his farm. If he cannot find capital, he has to borrow it and to pay a much larger sum in mortgage interest than he did in rent. The Opposition will probably agree with us that the best system of farming is that of a tenant under a landlord, but the Opposition think that the landlord should be the nation, while we think that the landlord should be an individual. It is bad for the farmers in this country to have to buy their own land. Death Duties on land are paid on what might be called the amenity or market value. The assessment is not the same as it is in the case of shares. I know estates that produce no income, or even an annual liability, and yet Death Duties are paid on those estates. The duties are very often considerable.

It is of no use expecting the Government this year, unless they are to unbalance the Budget, to make very large reductions in taxation, but I think that the Mover of this Motion was right when he said that he would take a risk. The risk would be justified. If the Government treated the budgetary position by looking at it in relation to a period of three years, which is until the life of the present Government is over, they would do much better than merely looking at each year as a sort of water-tight compartment. If they took a risk this year I think that they would be repaid. The yield of Death Duties on agricultural land at the present time is not very big; I think it is about £1,700,000, and I suggest to the Chancellor of the Exchequer that if he could see his way to do away with that tax, to reduce the rate of it, or to alter the method of assessment and assess land in the same way as shares, he would be doing a very great thing for the agriculture of this country.

I want to talk about another matter, especially as the hon. Member for West Walthamstow has said that it is a pity that hon. Members who were interested in certain matters talked about them in this House. Some of my personal friends are aware that I happen to be interested in brewing. I am not ashamed of i except for the reason that the brewi trade is not paying as well as it did. Th hon. Member gave a few figures, in th course of which he said that the intere on capital in the brewing industry 17 per cent., or 14 per cent. He may n have gone into the question that befor the War the capital of certain breweri was £1 per share, and that thos breweries have reduced their capital t 9d. per share. If 14 per cent. is pai upon ninepenny shares I think the hon Member might find that the return upo the capital is not very much. Befor dogmatising on the capital of any industry, one should look right into th matter and find out what the origina capital was and what the losses were and every other point connected with th matter.

Let me say five things about the brewing trade, not from the point of view either of the industry or of the consumer but from the point of view of th Revenue. In the last seven years, up to the end of this year, the estimates fo the Revenue from beer had been £29,000,000 more than was received. am not in any way blaming the Treasury because it is a fact that consumption had been going down. This year the estimate is £80,000,000, and it looks as if the result will be £6,000,000 down on that. It is only fair to say that the reason for the decrease is that most of the beer sold is not good enough. Another reason is that it is not value for money. You cannot expect a workman or anyone else to go on buying something which is not good value. Taxation being as high as it is, it is good policy for the Government to look into the situation and to try to preserve what Revenue they get now, and what Revenue they may get in the course of a few years. When a patient is bad, a stimulant is needed. I am certain if the Government take that course that they will be repaid. Let the Government inspire the people with faith in the future, and in the years to come historians will look back and say that the Budget of Great Britain for 1933 was a turning point in the prosperity of the world.

6.30 p.m.

Mr. DINGLE FOOT: This Motion is couched in terms to which very few of us would take any exception, but, during the ort time that I have been a Member of e House, I have discovered that what atters about a private Member's Motion this kind is not so much what is said it as what it implies, and that very ten a Resolution couched in the mildest d most non-controversial terms is used the Mover as a peg on which to hang ost controversial proposals. That is at has happened in the Debate this ternoon. May I briefly remind the ouse of the proposals which the Mover the Motion made? He suggested that e Sinking Fund should be suspended, d he calculated that that would give us 2,000,000. He then said that it would t matter if in the first year we were wn on our national accounts by 0,000,000 or £60,000,000—that that need t perturb us too much; and, as far as ould follow his argument, his suggesn was that we should use the money ined in this way for two purposes, and two purposes only—firstly, for some mission of the Beer Duty, and, condly, and far more important, for a mission of Income Tax in the neighurhood of 1s. 6d. in the pound.

I want to join with the hon. Member Aberavon (Mr. Cove) and others who ve spoken—most of them from the Opsition benches—in protesting against y proposal of that kind. It is a prosal which did not emanate in the first ce from the hon. Member for Central effield (Mr. Boulton), but was adnced a few days ago by the right hon. ntleman the Member for Hillhead (Sir Horne) in a letter to the "Times," and had some support, I think, in a ding article in the "Times." We have velled a very long way since the t General Election if we are going to ten to proposals of that kind in this use. May I remind the House of what ppened in the period August-October, 31? We were told that heavy sacrifices st be required from every section of e community, and heavy sacrifices were, fact, exacted from every section of the mmunity. There was the increase in e standard rate of Income Tax; there re the cuts in the pay of the Services, e teachers and the police; but, in my w—personally, I have never used the pression "equality of sacrifice"—atively much the heaviest sacrifice was manded from the unemployed. The tional Government imposed those rdens and made those cuts before the General Election, and then it went to the country and asked for an endorsement of them. It won the most remarkable victory, as I think, in modern political history, because, of all the millions of people who voted for the National Government, practically every one was going to be poorer as a result of the policy which that Government had already introduced and carried through. As I have said, it was, perhaps, the most remarkable verdict in our political history.

Why were those sacrifices made? Why was it that even the unemployed themselves in large numbers consented to the cut that was made in the very small amount that they received from week to week? They consented to it because of the argument put forward that above all things, if we were to retain our financial stability, we must have a balanced Budget, and the central argument on which the National Government was returned at the last General Election was the argument of the supreme necessity of balancing the national accounts. The unemployed and the others accepted the cuts on the basis that the Budget had to be balanced. Now the right hon. Gentleman the Member for Hillhead and the hon. Member who moved this Motion come along and say, "Undo what was done in 1931; unbalance your Budget; it does not matter any longer about having a balanced Budget; unbalance your national accounts, not in order to restore those cuts, but for the sole and exclusive benefit of the direct taxpayer."

HON. MEMBERS: No!

Mr. BOULTON: I do not wish to interrupt the hon. Member, but he is misconstruing, perhaps unintentionally, what I said. My words were: "The balancing of the Budget requires no stressing."

Mr. FOOT: It will be within the recollection of the House that the hon. Member went on to say that, even if in the first year of his scheme the national accounts were down by some £50,000,000 or £60,000,000, that need not perturb us too much; and, if that does not mean unbalancing the Budget, I personally do not understand what it does mean. I say that the whole trend of the hon. Member's remarks in moving the Motion was that it was worth while to take a risk—I think that that was his phrase—and, tem-

[Mr. Foot.]

porarily at any rate, to unbalance the Budget. No one disputes the burden of indirect taxation. I myself speak an an Income Tax payer, at any rate in a small way, and none of us in this House is likely to dispute how heavy a burden direct taxation is. But if it is possible—I do not know if it will be possible, but if by any means it is possible—in the Budget of this year, to give any form of relief, I feel that the first claim on that relief should go, not to the direct taxpayer, however heavy his burden may be, and not even to those other classes who suffered very severe cuts, but that the first claim on any relief that it may be possible to give should be the claim of the unemployed.

Supposing that it were possible to spare even some £5,000,000 or £6,000,000, that, at a rough estimate would enable the standard rate of unemployment benefit to be raised from 15s. 3d. to something in the neighbourhood of 16s. The Mover of the Motion said that we needed an increased circulation of blood in the body politic, and that we needed increased purchasing power in the hands of the people. The remission of direct taxation may or may not increase purchasing power. The money may be put into the bank; some direct taxpayers may even spend it abroad; but, if it is possible to give relief, to however small an extent, to the unemployed, it is quite certain that every penny of that relief will go in increased purchasing power, and that every penny of it will be spent to the very best advantage. I am not for a moment opposing the idea of diminishing, when it is possible to do so, the burden of direct taxation. I think that all of us, even hon. Members on the Opposition Benches, realise how heavy that burden has become. But I feel that, even though most of us in this House may be direct taxpayers, we realise that the heaviest sacrifice of all was demanded from the unemployed, and I think that, if and when it is possible for any relief to be given from the arduous burdens imposed in 1931, the claim of the unemployed should be paramount.

6.37 p.m.

Viscount CRANBORNE: We have before us this afternoon a Motion in favour of reduced expenditure, and an Amendment has been moved, with very great ability, if I may say so, by t hon. Member for Aberavon (Mr. Cov repudiating that proposal. It is on t Amendment that I should like to spea The hon. Member was not mere destructive in what he said; he had remedy; and his remedy, as I understo it, was that we should maintain Gover ment expenditure and, if possible, i crease it, raising taxation, if that we required, in order to put more purcha ing power in the hands of the unem ployed. That is what I took the ho Member to say, and I think it is a fa account of what he said.

This is not a new remedy. I have on had the honour of being in this Hous for two years, but I have heard the sam remedy put forward by hon. Membe opposite a great many times, and, i deed, they put it into force during t two years for which they were in offic They spent, if I remember rightly, abou £100,000,000 on relief schemes for t unemployed. They did that with t very best intentions, but, as the Cha cellor of the Exchequer pointed out las week, the only result was to raise t number of people unemployed b 1,600,000. I do not want to ove state the case. It is obvious that tha was not the only cause, but we on thi side of the House believe that it was material cause. I believe that a mai cause of that increase was that increas ing expenditure and taxation struck very great blow at confidence. The hon Member for Aberavon said that he ha never heard any direct evidence tha taxation influenced employment. would like to quote a few words from the Final Report of the Balfour Com mittee on Trade and Industry. Th report states, on page 248, that:

> "While the Income Tax, being a charg on profits, is not in the main a burden o industrial costs, nevertheless a high rat of taxation has very serious effects on com petitive power, both by diminishing th fund out of which the bulk of the nationa savings are accumulated, and extension and improvements of industrial plant pro vided, and also by discouraging enterpris and initiative."

I know that hon. Members opposite do not hold that view. One of the first speeches that I heard after I came into this House was a speech by a right hon. Gentleman who was at that time their Leader, and who is now Lord Snowden. I remember that he said at that time that saving was a question of individual abit; and he went on to explain that his opinion, once a man had got the abit, nothing would make him alter it. f course, that is perfectly true with reard to an individual. We all know that here are people who are more apt to ave, and people who are more apt to pend. But, nationally, there is bviously a great deal more in it than hat. Saving on the part of the nation undoubtedly dependent on another ondition, and that is the condition of ecurity. People put by money for a ainy day, as we say, and they only put by because they feel that it will be here when the rainy day comes. That why there is very much more investment in civilised countries than there is n uncivilised countries, because in the ormer the security is greater. Decrease he security, and you decrease the incentive to save and produce. I know that on. Members opposite do not hold that iew. I remember that when I heard ord Snowden's speech it reminded me f a very old fable about a man who said hat he could teach his horse to live pon nothing. Every day he gave it just little less and less food, until at last ne day came when he was to give it othing at all. On that day, however, y an unfortunate accident the horse ied, and, therefore, as he explained to is friends, he would never know whether e had been right or wrong. If you ubstitute the word "enterprise" for horse," and "profits" for "food," you will get a very near analogy. Hon. Genemen opposite thought two years ago hat they could get industry and enterprise to live upon nothing. But the orse, willing though it was, pined away nd died. That is one of the main auses why we have reached the situation in which we are to-day.

The principle underlying the policy put orward by the hon. Member for beravon is, as I understand it, that he roposes to re-distribute wealth by means of taxation, and increase the consuming power of the poor. All that one an say is that that policy has been ried, and has disastrously failed. The money has been spent, taxation has been increased, and the umber of people unemployed is far reater to-day than it was before. t is really impossible for hon. Gentlemen opposite to argue any more that, when taxation is imposed upon a rich man, he alone pays it. What happens in practice, when an employer is very heavily taxed? He knows that, if he makes a profit, the vast proportion of it will go to the State and, if he makes a loss, he will have to bear it himself. Therefore, if he is making a loss, he limits it in the only way he can, and that is by closing his works. Who suffers? It may be said that he suffers because he does not make a profit; but the only persons who really suffer are his workpeople, because they are reduced from good wages of 40s. or 50s. or 60s. to the dole. I am certain that hon. Members opposite put their policy forward with the highest motives. But it is not really a policy of economy. It is a sentimental policy. From the point of view of the social services themselves I believe a reduction in taxation is desirable. For the Government has no money of its own. All the money it has comes from productive industry. And, if industry cannot produce at a profit, there will be no social services at all or, at least, they will have to be very greatly reduced. The hon. Member who spoke last said that relief ought to be given first of all to the unemployed. I believe that first of all relief ought to be given to the country and, if the country gets relief, everyone in the country will benefit.

6.46 p.m.

Mr. DENMAN: I should like to put a rather different point of view from those which have hitherto been put before the House because, unlike most Members, I do not really endorse either the Motion or the Amendment. It seems to me that they both stress points which are not of real importance and call attention to rather secondary things. The Motion itself is one of gloom and despondency. Both the Mover and the Seconder implored the Government to show courage, and not timidity. I think their Motion shows a lack of courage. The sort of Motion that I should have liked the House to accept would be:

> "The House views with satisfaction the financial strength of the country, will support the Government in maintaining a balanced Budget, and looks to the Government to assist in lightening the burden of industry by a policy of gradual and limited price raising."

The House surely ought to realise and feel immense pleasure in what the Government have achieved and the amazing

[Mr. Denman.]

financial strength that we have attained. We have had this combined position of high taxation coupled with the maintenance of social services, though not at the height or the standard that we should have liked—straitened but not strangled. We are maintaining them at the cost of high taxation, and at the same time we have a financial position of unrivalled strength throughout the world. I would ask anybody in the House who has any responsibility for running a business concern, Is there any country in the world to which he would prefer to transfer his business? There are plenty of countries with lower taxation, if he wants lower taxation. What he will not find anywhere in the world is a country which has succeeded, by imposing high taxation, in maintaining the level of social services and maintaining a position of confidence and financial strength. Industries have been strengthened enormously by the appreciation of reserves which has resulted from the Chancellor's Conversion scheme. Company after company has almost been pulled out of the mire by having its reserves so strengthened. Is not that a thing for which to be grateful? When we get these rather airy and light-hearted suggestions for dreamy and speculative finance, casting away big blocks of our revenue, I submit that we ought to reject those alluring schemes and be content to accept such taxation as is necessary to maintain the financial stability of the country. The whole basis of our industrial prosperity depends on the knowledge of the whole world that we are essentially financially sound. That gives a basis of confidence, and on that basis alone we shall rise in time to prosperity.

6.51 p.m.

The LORD PRESIDENT of the COUNCIL (Mr. Baldwin): It is not without interest to reflect that a very well-known Member of Parliament of the name of Hume, 111 years ago, moved as an Amendment to the Address:

> "That we cannot but express most respectfully to His Majesty our opinion, that an excessive taxation, disproportionate to the reduced value of all property, is a principal cause of those distresses; and humbly to intreat that he will be graciously pleased immediately to direct such reductions in every branch of our expenditure, from the highest to the lowest department, as shall enable us forthwith to relieve H Majesty's faithful people from a larg portion of that burthen of taxation, which in their present impoverished condition presses so heavily upon all classes."

History repeats itself and, as this coun try extricated itself from the difficultie that existed at the time when Hum moved that Amendment, so I trust an believe that with perseverance we shall extricate ourselves from the difficulty i which we find ourselves to-day. I mus apologise to the House for taking th place of the Chancellor of the Ex chequer, who is the proper Minister t deal with a Debate of this kind. He ha an old engagement to speak to-night i the country, and the House knows how difficult it is to get out of those engagements when once made. But perhaps i is a little easier for me, not being Chancellor, to speak on this subject, because it really is impossible for a Chancellor to speak with any freedom on a question of this kind when the shadow of the Budget is already hanging over his head. I have had some experience in taking part in these Debates, now many years ago, and though there is little that one can say, for the same reason that the Chancellor himself would be found rather fettered, I hope I may be able, by commenting on and perhaps criticising some of the observations which have been made, to make my contribution before we decide whether or not we will adopt the Motion before the House.

I should like to begin by congratulating most warmly the Members of my own party who, at great sacrifice to themselves, have put in so much work on that most difficult subject of examining what economies were and were not possible in the expenditure of the country. Their investigation has been of great service and on one or two points the Government have already adopted their suggestions —the abolition of the housing subsidy, for instance—and I can assure them that the Chancellor is examining with sympathy and with care the suggestions that have been put forward. I do not know whether there is any truth in it—all kinds of rumours reach me in my position as Lord President—but I have heard that some of those who have advocated various economies were a little less enthusiastic in desiring to see them pursued than they have been when they first advocated them.

First of all, let me say a word about e speech of my hon. Friend who moved e Motion. I thought both the quality d the temper of his speech were admir- le, and I listened with much interest what he had to say. He began by ying he wanted to see on the part of e Government a wide outlook and asticity of mind. Those are two quali- es which I have always flattered myself am not without. He spoke of one sub- ct the idea of which has been advo- ted in many quarters, that is, a anned Budget over a term of years. I ve no doubt that, when my right hon. riend considers his Budget, he will not il to give his attention to every sug- estion that has been made to make his sk less difficult than it would naturally e. My hon. Friend went on to speak of e way in which Income Tax affects the mpetitive power of this country. That ing a subject which interests me very uch, as having been at the Treasury at e time when the Income Tax was raised rom what we used to consider a normal gure to the height at which it stands to- ay, there are one or two observations at I should like to make, first of all erhaps in the way of comfort. It is ite impossible, I believe, to calculate y any process open to us what the real lative weight of direct taxation is on e industry of one country and another, ecause we have no reliable data of the roportion of the total taxation in this untry to the total wealth and total in- me of this country—those are very rele- ant factors—or, indeed, to the compara- ve distribution of both wealth and in- me in other countries. You have also reckon as permanent factors the eneral character of the industries in ch country.

Remember that we are the first country apply our direct taxation, at enormous gures, to the balancing of our Budget. o other country has approached us in hat we have done in that direction, but is certain that other countries will have follow us in some form of taxation or ave their Budgets unbalanced, and nbalanced Budgets over a term of years ean bankruptcy. Until the time comes at we are all on a level in that work nd have balanced Budgets, we have nother reason for knowing that we annot really assess the real relative osition of ourselves and other countries with regard to the incidence of Income Tax. It does not in the least follow that Income Tax is not, in the words of the Motion, an intolerable burden. So much has been said by the Chancellor of the Exchequer himself. I know, as every Member of this House knows, that, theoretically, Income Tax is not a charge on industry, but I heard an interesting quotation given by my Noble Friend the Member for Dorsetshire (Viscount Cranborne) which he took from the Report of the Balfour Committee. I agree entirely with what was said there. There is no doubt very high Income Tax, plus Surtax and Death Duties, all at exorbitant rates, does lower the level of the pool of savings for investment of the country. There is also the psychological effect when trade is bad. The collection of so large a part of income, for the purposes of the Government, depresses very heavily—and far more than would be the case if trade were good—all those on whose skill, brain and energy the satisfactory conduct of business depends. I think anyone who has experience, or knowledge, will agree that, theoretically, whatever may be said about the incidence of Income Tax, there is no doubt that, except in the best of times, it does act as a great burden on the industry of the country.

My hon. Friend mentioned one subject, which was mentioned by a great many other Members, namely, beer. I should like to pay tribute to the altruistic question, propounded by that warm heart we all know he has, of the hon. Member for West Ham (Mr. Thorne), who was so worried because at Streatham it was impossible to get a half-pint measure. No half-pint measure would have any interest to him. I sympathise very deeply with what has been said about beer, but I think that, in the rather judicial view I am trying to give in this Debate, I ought perhaps just to put one consideration which is sometimes overlooked. I know the argument about the Beer Duty with regard to unemployment—unemployment both in the industry and in agriculture. They are weighty arguments undoubtedly, and must be considered. But there is one argument which is used—that lowering of the tax would be necessarily followed by such a large increase of consumption that the loss to the revenue would be negligible. We

[Mr. Baldwin.]

have had many disappointments in similar respects. There is no doubt that the habit of beer drinking, for good or evil—very likely caused in the first instance by high war taxation—has changed in this country. The money which used to be spent on beer is now largely spent on other things.

I said there were similar cases. I look back a few years to the last time when I was in the Government. We brought in, just as the close of our term, a Measure which we all hoped would be of great benefit to the country—the Measure for rating relief. We hoped, and believed, that it would have a really stimulating effect on the railway services of this country. It may be that we did not realise the way in which the railway habit has been changing in this country. People are taking themselves, and their goods, more and more to the roads. Of course, the result was a terrible falling off and depression in traffic. The fact remains that a most substantial help, which was meant to be a stimulus, failed completely to save this falling traffic which is now causing such anxiety to so many people in this country. This point might be borne in mind. I do not commit myself either way, and it would be most unfair to give any views of my own at this moment, when the Chancellor of the Exchequer has that most difficult task, envied by no one in this House, of getting his Budget ready in the next few weeks.

The question which has been raised in many quarters was also raised by an hon. Member—the suspension of the Sinking Fund. That again is a subject which, of course, will be examined and every relevant factor will be borne in mind. I would like to say something in this connection, which I can do without betraying any secrets. Everyone seems to speak as though there was going to be a large surplus. There may be; I do not know. I know just as well, no better and no worse, than every other Member. Every Member who has an income of any kind from invested funds whether small, medium, or large, will agree that, never has he known so many cases where his income has been reduced, or where dividends have failed to be paid at all as in this last year. He knows perfectly well that that will be reflected directly in terms of Inland Revenue. I have, purposely, not looked at any figures, bu I cannot see how, until there is a rea improvement in trade, you are going t get any improvement in the figures o what has been for so long, and is to-day the real standby of the Inland Revenu returns.

My hon. Friend who sits for a constituency adjoining my own—he had th satisfaction of winning a seat which was unable to win many years ago—wa much bolder. He began what looke like being a very interesting discussio on the raising of prices, but I think i dawned on him that that is a subject o discussion next Wednesday. Then h spoke of three measures which migh help the Budget. One was inflation, o which I certainly do not propose to embark to-day. The second was economy with which we all agree. The third wa useful work. He mentioned wagons which I remember being mentioned som time ago. It is very interesting to know that the Great Western Railway have placed, or are on the point of placing, very large order for 20-ton wagons, and if that be successful, as I hope and believe it will, then we may see that example followed in many parts of the country. I think he put his finger on a very practical spot there. I think that large-wagon building for commercial purposes is one of the directions in which we may look with some moderate hopes. Frankly, although I do not wish to betray any confidence, the Chancellor of the Exchequer has not yet considered the rebuilding of the Navy. If he returns in safety from Derby, I will tell him of the scheme, and I have no doubt he will give it his most careful consideration.

The hon. Member for Aberavon (Mr. Cove) has a gift which has been denied to me. He can whip himself in two or three minutes into a fervent enthusiasm about anything. I listened with much interest to what he said, but I was rather puzzled by some of the figures he gave about percentages. I do not want to deal with figures, and I do not want to give more than one minute to this matter. I only wish to refer to the matter, because, unintentionally on his part, for a short time he misled me, and he may have misled other Members of the House. The figures he quoted were taken from the Minority report on National Expenditure and the percentages were the percentages of increase.

Mr. COVE: That is what I said.

Mr. BALDWIN: It was difficult to llow. When you are told that the in- ease since the War was only 15 per nt. for the social services, it does not ake you realise the actual fact that the cial services have risen since 1913 from out £14,000,000 a year to £100,000,000 year. I just wanted to mention that case other hon. Members had been sled. I was very much surprised at the rcentage, and did not at first realise was the percentage difference between 13 and now. Of course, it is perfectly vious that when you have a war, and r debts, that the percentage of these bts is an enormous volume of the total crease.

Mr. COVE: I read the exact words.

Mr. BALDWIN: I make no accusation ainst the hon. Member. I wanted to plain to my friends. The hon. Member ust recollect that we have a reputation being slow thinkers. I was very glad hear my hon. Friend the Member Ecclesall (Sir S. Roberts). He, turally, coming from Sheffield, was very terested in new productive enterprise. think the suggestion he made was very teresting and well worthy of considera- n. The most amazing suggestion was m my old Friend the Member for South lton (Mr. Lambert). I remember many ars ago Mr. Asquith saying to me: "I ve long ceased to be either surprised, disgusted, at anything that can hap- n." In this matter the question of dis- st does not come in, and I have ceased be surprised at anything. While at st sight it seemed a very plausible sug- stion we cannot forget what has been the blood of this House for many cen- ries. The House has fought for premacy in finance and whether another dy was co-equal, or superior, whatever rty was in power in this House, I think ere would be a continuous fight until s House either went under or came t on top.

The hon. Member for North Salford r. J. P. Morris) also made an interest- speech. He spoke about rationing Departments. What does one mean actly by rationing? You may say that one way the Departments are rationed w. Their expenditure is carefully ecked, and certain things are allowed d certain things are disallowed. By that rationing he means that when a Department has put in a figure, and when you have more or less got an agreement what that figure shall be, you say: "Then you are going to have 75 per cent. of that." The difficulty with that is that you cannot apply rationing to War pensions or to any Department where any large portion, or the whole portion, of its expenditure is statutory or contractual. I can assure my hon. Friends, as having had some experience both of Government Departments and of "axes," because I was alive when the Geddes axe was wielded, there are immense practical difficulties in the way of rationing. If you attempted to carry out rationing, even on a Department where the bulk of its expenditure was not a statutory or contractual obligation, you would in fact create great anomalies and great hardships, and you would probably do some very grave injustices. It is really too much like the unjust steward rendering his accounts.

I have dealt with a number of the speeches, and I am sure that everyone will feel that we have had a most useful Debate. These Debates on Wednesdays are of the greatest value for ventilating opinions. They are not, and cannot be, Debates in which Ministerial policy is set forth at any length. I was myself for so many years a private Member that I am always very jealous of these days for the private Members, and I am very glad to think that to-day has been a private Member's day, and that we have had no speech from any Front Bench except the one which, as a matter of courtesy, I am delivering to the House at this moment.

I should like to make one or two general observations before I sit down. The burden of this Debate has been the urging upon the Government not to relax for one moment the pressure for economy. Not much has been said directly to-day as to the direction in which economy is to be sought, but it is clear that in the minds of every Member is that desire, even if we cannot repeat—and no one expects us to repeat—the phenomenal reductions which were made between 1931 and 1932, yet they do want to feel that the Government will not relax their pressure, Departmental pressure all the time. They want to feel that the Government fully realise the

[Mr. Baldwin.]

pressure and the burdens of taxation. Anyone who has read the recent speeches of the Chancellor of the Exchequer will recognise freely that he regards the present burden as excessive. He also said the other day that to increase that burden would be disastrous, and he has given very definite pledges about economy. He said in a speech delivered about a month ago—

> "While we cannot expect to save tens of millions of pounds by economy, there are economies which individually may not be of a very striking character, but put together they make up a substantial sum, and it will be the duty of the Government to show the House of Commons and the country that they will not tolerate unnecessary expenditure until it is possible again to reduce taxation."

The scrutiny, I can assure the House, is always going on, and in the aggregate the savings are important. Out of this year's Estimates, excluding some 11 mainly token votes which show no change, well over half show a reduction, which is no mean performance after what was done last year, and of those that show increases three of them are increased solely by reason of the absence of receipts from Ireland, quite a number solely by reason of the fall in receipts from fees of different kinds, and a few have been increased by the growth of contractual charges. The watch is constant on expenditure, and I can assure the House that the Chancellor of the Exchequer, the Financial Secretary—a very important person in these days—and the whole of that most efficient staff at the Treasury are as alive to their responsibilities as any Member of this House would like to see them.

I want to say a word on the reduction of taxation. I want to tell the House how I regard it. I am not going to give my views of what ought to be done, because here again I should be impinging on the prerogative of the Chancellor of the Exchequer. I am not the Chancellor of the Exchequer, but I do not see, as he has said in that speech, from where reductions of tens of millions are to come. I believe that you will never get them unless some course were pursued, as has been advised in some quarters today, of gambling with the future. I believe that the real reduction of taxation will come when you are able to get an increase of revenue. That sounds a platitude, but until you can get the yield of the revenue, and especially those great Inland Revenue duties, unless you get an increase there, I do not see very much prospect of getting substantial reliefs apart from that. Those can only come by an improvement in trade.

I come back to the question of the employment of our people. There is nothing which has exercised my mind during the last 11 years more than that. Allusion was made to the election into which I led my party in 1923. I led them to it because I believed that there was nothing else at that time which would help us to fight the unemployment which was beginning and which I saw coming, and which I had little hope at that time of seeing remedied. I do not regret to-day what I did then. I think that we were perfectly right, but the whole situation to-day is still more difficult because now the prosperity of our industry is so wrapped up with the international situation. That makes the great importance of the World Conference, and there is no doubt, as has been said over and over again, we have to do all we can to get reduced tariffs in the world and to get the exchanges set in order. I hope that something in that last respect may be done in the negotiations we are having with our friends in the Argentine, but until world causes are set in order we cannot advance beyond a certain point.

Our situation to-day, I believe, bad as it is, is more favourable than that in any other country in the world, and I take hope from that fact. But I want the House to remember that there is one method of reducing taxation, and that is by reducing it at the expense of the social services, and this Government will not do that. It is perfectly true that many sacrifices were made and made in all classes. I hope that sometimes the party opposite, when they expatiate, and quite rightly, on the sufferings of the very poor, will not forget the real sacrifices which have been made by many poor in their glad consent for the sake of the country to knock 40 per cent. off their incomes from the funds. Our people made great sacrifices there, and, more remarkable, it was made a year after the great sacrifices were made by all the rest of the people. But naturally, when a year or 15 months have gone by after you have made your sacrifice, and you can yet see little that helps, not realising the

nder condition of the country and the
re favourable environment for its
pansion, but seeing only that work does
come, there is no wonder men's
rts fail them.

What we have to try and do in this
use is to keep up our courage, and the
rage in the country, with the certain
pe that if we keep on courageously we
ll do better. I have great hopes of
World Conference. I have great
pes of the position in which we find
selves. I think that we are ready to
e advantage now of what may come,
l, while I do not like to use the ex-
ssion of the Chancellor of the Ex-
quer, "Pegging away," because
ryone interpreted it wrongly the other
, I would rather say: "Let us go
ward with high courage and with hope
ctising those very virtues which the House would have us do—economy and thrift—and we shall see better times." I would say, on behalf of the Government, that we accept the Motion. There is only one thing I will say about it. I want it to be clear the sense in which I accept the word "intolerable." I do not accept it in its literal meaning. I accept it in its meaning in good, classical English.

> But one half-pennyworth of bread to this intolerable deal of sack!

Perhaps that intolerable voice is speaking. If I may take the word "intolerable" in that sense, I accept that Motion on behalf of the Government.

Question put, "That the words proposed to be left out" stand part of the Question.

The House divided: Ayes, 277; Noes, 46.

Division No. 63.] **AYES.** **[7.30 p.m.**

nd-Troyte, Lieut.-Colonel
ms, Samuel Vyvyan T. (Leeds, W.)
ew, Lieut.-Com. P. G.
ry, Irving James
, Sir J. Sandeman (Liverp'l, W.)
n, William (Stoke-on-Trent)
ry, Rt. Hon. Leopold C. M. S.
truther-Gray, W. J.
in, Lieut.-Col. Reginald V. K.
ley, Lord
, Sir Robert William
ury, Lieut.-Com. Frederick Wolfe
nson, Cyril
dwin, Rt. Hon. Stanley
dwin-Webb, Colonel J.
our, George (Hampstead)
our, Capt. Harold (I. of Thanet)
iel, Lord
lay-Harvey, C. M
uchamp, Sir Brograve Campbell
, Sir Arthur Shirley
hall, Major Sir John Dearman
, Ernest Roy (Yorks., Skipton)
dale, Viscount.
yer, Capt. Sir George E. W.
thwaite, J. G. (Hillsborough)
coe, Capt. Richard George
dbent, Colonel John
wn, Ernest (Leith)
wn, Brig.-Gen. H. C. (Berks., Newb'y)
wne, Captain A. C.
nan-Hepburn, P. G. T.
nett, John George
gan, Hon. Edward
pbell, Vice-Admiral G. (Burnley)
orn, Arthur Cecil
ver, Major William H.
tley, Sir Henry S.
aiet, Thelma (Islington, E.)
pman, Col. R. (Houghton-le-Spring)
pman, Sir Samuel (Edinburgh, S.)
ke, Frank
ry, Reginald George
b, Sir Cyril
hrane, Commander Hon. A. D.
tile, Lieut.-Colonel J.
ant, R. J. E.
k, Thomas A.
per, A. Duff
eland, Ida
rtauld, Major John Sewell

Craddock, Sir Reginald Henry
Cranborne, Viscount
Craven-Ellis, William
Crooke, J. Smedley
Crookshank, Col. C. de Windt (Bootle)
Crookshank, Capt. H. C. (Gainsb'ro)
Croom-Johnson, R. P.
Crossley, A. C.
Dalkeith, Earl of
Davies, Maj. Geo. F. (Somerset, Yeovil)
Davison, Sir William Henry
Denman, Hon. R. D.
Denville, Alfred
Dickie, John P.
Donner, P. W.
Doran, Edward
Drewe, Cedric
Duckworth, George A. V.
Dugdale, Captain Thomas Lionel
Duncan, James A. L. (Kensington, N.)
Dunglass, Lord
Ellis, Sir R. Geoffrey
Elmley, Viscount
Emmott, Charles E. G. C.
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Everard, W. Lindsay
Fermoy, Lord
Fielden, Edward Brocklehurst
Ford, Sir Patrick J.
Forestier-Walker, Sir Leolin
Fox, Sir Gifford
Fremantle, Sir Francis
Fuller, Captain A. G.
Gault, Lieut.-Col. A. Hamilton
Gibson, Charles Granville
Gilmour, Lt.-Col. Rt. Hon. Sir John
Glossop, C. W. H.
Goff, Sir Park
Goodman, Colonel Albert W.
Gower, Sir Robert
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Grattan-Doyle, Sir Nicholas
Greaves-Lord, Sir Walter
Gretton, Colonel Rt. Hon. John
Grimston, R. V.
Guinness, Thomas L. E. B.
Gunston, Captain D. W.
Guy, J. C. Morrison
Hales, Harold K.
Hannon, Patrick Joseph Henry

Harbord, Arthur
Hartland, George A.
Harvey, George (Lambeth, Kenningt'n)
Harvey, Major S. E. (Devon, Totnes)
Headlam, Lieut.-Col. Cuthbert M.
Hellgers, Captain F. F. A.
Heneage, Lieut.-Colonel Arthur P.
Hepworth, Joseph
Herbert, Capt. S. (Abbey Division)
Hills, Major Rt. Hon. John Waller
Hoare, Lt.-Col. Rt. Hon. Sir S. J. G.
Hore-Belisha, Leslie
Hornby, Frank
Horsbrugh, Florence
Howard, Tom Forrest
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M. (Hackney, N.)
Hudson, Robert Spear (Southport)
Hume, Sir George Hopwood
Hunter, Dr. Joseph (Dumfries)
Hunter, Capt. M. J. (Brigg)
Iveagh, Countess of
James, Wing-Com. A. W. H.
Joel, Dudley J. Barnato
Johnston, J. W (Clackmannan)
Jones, Henry Haydn (Merioneth)
Jones, Lewis (Swansea, West)
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Kirkpatrick, William M.
Knebworth, Viscount
Knox, Sir Alfred
Lambert, Rt. Hon. George
Law, Sir Alfred
Law, Richard K. (Hull, S.W.)
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Levy, Thomas
Liddall, Walter S.
Lindsay, Noel Ker
Lister, Rt. Hon. Sir Philip Cunliffe-
Little, Graham-, Sir Ernest
Llewellin, Major John J.
Lloyd, Geoffrey
Loder, Captain J. de Vere
Lumley, Captain Lawrence R.
Lyons, Abraham Montagu
Mabane, William
MacAndrew, Lt.-Col C. G. (Partick
MacAndrew, Capt. J. O. (Ayr)
McCorquodale, M. S.

MacDonald, Malcolm (Bassetlaw)
McEwen, Captain J. H. F.
McKie, John Hamilton
Maclay, Hon. Joseph Paton
McLean, Major Sir Alan
Macmillan, Maurice Harold
Magnay, Thomas
Makins, Brigadier-General Ernest
Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. R.
Marsden, Commander Arthur
Martin, Thomas B.
Mason, David M. (Edinburgh, E.)
Mason, Col. Glyn K. (Croydon, N.)
Mayhew, Lieut.-Colonel John
Merriman, Sir F. Boyd
Milne, Charles
Molson, A. Hugh Elsdale
Morris, John Patrick (Salford, N.)
Morrison, William Shephard
Moss, Captain H. J.
Munro, Patrick
Nall, Sir Joseph
Nall-Cain, Hon. Ronald
Nation, Brigadier-General J. J. H.
Newton, Sir Douglas George C.
Nicholson, Godfrey (Morpeth)
Nicholson, Rt. Hn. W. G. (Petersf'ld)
North, Captain Edward T.
Nunn, William
O'Connor, Terence James
Ormsby-Gore, Rt. Hon. William G. A.
Palmer, Francis Noel
Patrick, Colin M.
Peake, Captain Osbert
Pearson, William G.
Peat, Charles U.
Penny, Sir George
Percy, Lord Eustace
Perkins, Walter R. D.
Petherick, M.
Peto, Sir Basil E. (Devon, Barnstaple)
Peto, Geoffrey K. (W'verh'pt'n, Bilston)

Pickford, Hon. Mary Ada
Potter, John
Power, Sir John Cecil
Procter, Major Henry Adam
Ramsay, Capt. A. H. M. (Midlothian)
Ramsay, T. B. W. (Western Isles)
Ramsden, Sir Eugene
Rankin, Robert
Ray, Sir William
Reed, Arthur C. (Exeter)
Reid, David D. (County Down)
Reid, James S. C. (Stirling)
Remer, John R.
Rentoul, Sir Gervais S.
Renwick, Major Gustav A.
Roberts, Sir Samuel (Ecclesall)
Robinson, John Roland
Ropner, Colonel L.
Rosbotham, Sir Samuel
Ross, Ronald D.
Ross Taylor, Walter (Woodbridge)
Ruggles-Brise, Colonel E. A.
Runge, Norah Cecil
Russell, Albert (Kirkcaldy)
Russell, Alexander West (Tynemouth)
Rutherford, John (Edmonton)
Rutherford, Sir John Hugo (Liverp'l)
Samuel, Sir Arthur Michael (F'nham)
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Sanderson, Sir Frank Barnard
Savery, Samuel Servington
Scone, Lord
Selley, Harry R.
Shaw, Helen B. (Lanark, Bothwell)
Shaw, Captain William T. (Forfar)
Shepperson, Sir Ernest W.
Shute, Colonel J. J.
Slater, John
Smiles, Lieut.-Col. Sir Walter D.
Smith, Louis W. (Sheffield, Hallam)
Smith-Carington, Neville W.
Somervell, Donald Bradley

Somerville, Annesley A. (Windsor)
Sotheron-Estcourt, Captain T. E.
Southby, Commander Archibald R.
Spears, Brigadier-General Edward L
Spencer, Captain Richard A.
Stanley, Lord (Lancaster, Fylde)
Stanley, Hon. O. F. G. (Westmorland
Stewart, J. H. (Fife, E.)
Stewart, William J. (Belfast, S.)
Storey, Samuel
Stourton, Hon. John J.
Sueter, Rear-Admiral Murray F.
Sutcliffe, Harold
Thomas, James P. L. (Hereford)
Thompson, Luke
Thomson, Sir Frederick Charles
Thorp, Linton Theodore
Titchfield, Major the Marquess of
Todd, Capt. A. J. K. (B'wick-on-T.)
Touche, Gordon Cosmo
Train, John
Ward, Lt.-Col. Sir A. L. (Hull)
Ward, Irene Mary Bewick (Wallsend)
Ward, Sarah Adelaide (Cannock)
Watt, Captain George Steven H.
Wedderburn, Henry James Scrymgeour
Whiteside, Borras Noel H.
Williams, Charles (Devon, Torquay)
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Wilson, G. H. A. (Cambridge U.)
Windsor-Clive, Lieut-Colonel George
Winterton, Rt. Hon. Earl
Wise, Alfred R.
Womersley, Walter James
Wood, Sir Murdoch McKenzie (Banff
Worthington, Dr. John V.
Young, Rt. Hon. Sir Hilton (S'v'noaks

TELLERS FOR THE AYES.—
Mr. Boulton and Sir J. Wardlaw-Milne.

NOES.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Batey, Joseph
Bevan, Aneurin (Ebbw Vale)
Buchanan, George
Cape, Thomas
Cocks, Frederick Seymour
Cove, William G.
Cripps, Sir Stafford
Daggar, George
Davies, David L. (Pontypridd)
Edwards, Charles
Foot, Dingle (Dundee)
George, Major G. Lloyd (Pembroke)
Graham, D. M. (Lanark, Hamilton)

Grenfell, David Rees (Glamorgan)
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Harris, Sir Percy
Hicks, Ernest George
Janner, Barnett
Jones, J. J. (West Ham, Silvertown)
Jones, Morgan (Caerphilly)
Kirkwood, David
Lansbury, Rt. Hon. George
Lawson, John James
Llewellyn-Jones, Frederick
Logan, David Gilbert
Lunn, William
McEntee, Valentine L.

McGovern, John
Maclean, Neil (Glasgow, Govan)
Mallalieu, Edward Lancelot
Maxton, James
Milner, Major James
Nathan, Major H. L.
Parkinson, John Allen
Price, Gabriel
Rathbone, Eleanor
Salter, Dr. Alfred
Tinker, John Joseph
Williams, Edward John (Ogmore)
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE NOES.—
Mr. G. Macdonald and Mr. Groves.

Main Question put, and agreed to.

Resolved,

"That this House views with anxiety the existing high level of taxation and diminishing revenues in this country, believes that this creates an intolerable burden on industry, and urges His Majesty's Government to consider means by which this burden may be lessened at the earliest possible moment."

MINING INDUSTRY.

7.38 p.m.

Mr. DICKIE: I beg to move,

"That, in the opinion of this House, it is essential in the national interest and the interests of the coal-mining industry that the coal export trade should be freed as speedily as possible from the restrictions imposed by Part I of the Coal Mines Act, 1930."

It is safe to say that no industry has occupied a greater share of the attention of this House than the mining industry. Commission after Commission has been appointed to inquire into the state of the industry, Act after Act has been placed upon the Statute Book, to regulate and control it, and even in the brief lifetime of this Parliament the subject has been debated on several occasions. In every Vote of Censure moved from the

er side of the House a great deal of
e has been devoted to what I might
the tottering throne of old King Coal.
spite these facts, I and my friends who
re associated with me, who represent
ning constituencies, who are very
vely concerned as to the position in
se constituencies and who view the
ure with general alarm, make no
logy for directing the attention of the
use once again to the steady decline
our export trade in coal, to the posi-
n which is created by that steady de-
ne and the manner in which it affects
national interests.

ext to agriculture the mining indus-
remains still our greatest industry.
is the foundation of all our heavy in-
tries. In the domain of domestic in-
tries it is perfectly safe to say that,
matter what may be the scientific de-
opment in the utilisation of other forms
fuel, for us for many years coal must
nain the foundation on which the
ble structure of our industrial edifice
st rest. It is equally true to say that
we are to maintain our position as
greatest exporting nation in the
rld it is vital that we should maintain
exports of coal. In bulk they are the
atest of our exports. The shipowners
end on the outward freight to
apen the inward freight and thereby
ble us to purchase more cheaply the
d and raw material that we need for
sustenance, the raw material of our
ustry, a matter of primary importance
a country which must draw its supplies
m the ends of the earth, and upon
ich it depends as a competitive nation
maintaining its position in the markets
the world.

he coal industry must, therefore, re-
in as a fundamental factor in our
nomic life. Its effect upon our
ional life is not to be judged by the
te of prosperity or depression in the
ing industry alone. The prosperity
ch is derived from the mining indus-
finds its way into the broad stream of
national life. It percolates into the
usand channels of the national life
enriches and benefits the whole.
ilarly, the severe depression in the
l exporting areas, which reduces them,
they have been reduced during the
few years, to a state of beggarly
oralisation, with its consequent loss
purchasing power, due to the poverty
those producers of wealth, is reflected
in every industry catering for the home market, apart altogether from its effect upon our international trade. I bring forward the Motion in the hope that it will appeal not only to those who represent mining constituencies, and who are directly interested in the industry, but to the general body of hon. Members, and that the Government will accept it and proceed at once to implement it, for the situation in those areas is becoming really desperate.

Every time that I am asked what are my objections to the Mines Act in its application to the export trade, I am reminded of an episode in the life of the great Dr. Johnson. It is said that on one occasion when he was on one of his trips to Scotland he stayed for dinner at Oxford, celebrated then for its learning, famous since for its Union, and now notorious for its patriots. On that occasion he dined on chicken. The dinner does not appear to have been a remarkable success, for when he was asked about it afterwards he said that the chicken was badly hatched, badly reared, badly killed, badly dressed, badly cooked and badly served, otherwise it appears to have been quite a good chicken. So it is with the Act of 1930 and its application to the export trade. Whatever may be said of that Act as far as inland trade is concerned, I submit that it is impossible to bring forward any valid arguments for a continuance of that part of the Act which inflicts a stranglehold on the export section of the industry by regulating the output and imposing the fixation of prices.

The disastrous effect of the application of the provisions of the Act to the export industry was foreseen by hon. Members who opposed it during its passage through this House, and by many people outside who were well qualified to speak on behalf of the industry. Almost every one of the Ministers of the present National Government opposed this Act during its passage through this House, including the two hon. Members who have been Secretary for Mines, and they opposed it particularly in its application to the export section of the industry. I will not weary the House with long quotations from speeches, they can be found in the records of the House and hon. Members can read them for themselves; but I say quite frankly that I

[Mr. Dickie.]

am astonished that members of the present Government should have allowed this Act to remain on the Statute Book unamended for 18 months, when month after month was clearly revealing that their own fears were well founded and their own phophecies well justified. As far as outside opinion is concerned I could quote many authorities as to the effect of the application of its provisions to the export trade, but I will content myself with one from a colliery in my own constituency. The relevant portion of the letter is this:

> "The present Government has definitely stated that if any district fails to produce a scheme the Government would force one upon them, and it was undoubtedly this threat which intimidated many into voting in favour of a so-called voluntary scheme of their own making, although they had little or no confidence that it would work without inflicting serious loss both on owners and workmen throughout the county, as, owing to the fact that the Durham coal trade lives largely by its exports, any control, with its resultant restriction of output, will increase costs, while price fixing will almost inevitably lead to the loss of orders in foreign markets."

That is a letter from the chairman of a colliery in my own constituency—Mr. Sydney Wilson.

Mr. BATEY: That is a tin-pot place.

Mr. DICKIE: The hon. Member, as on a previous occasion when I was speaking, is a little premature. He will hear something about the bigger concerns before I have finished. But the same thing runs right through the exporting districts. The hon. Member for Spennymoor (Mr. Batey) knows the county of Durham as well as I do, and he knows the disastrous state of things prevailing there partly as a result of the 1930 Act. That Act came into operation on the 1st January, 1931, and it was not long before the dismal forebodings of those who had foretold what was likely to happen were fully justified. The matter was raised in this House and on the 19th March, 1931, the present Secretary for Mines expressed grave apprehension as to the effect of the Act upon our export trade. He concluded his speech on that occasion with these words:

> "Those who attribute the fall in shipments to the quota system say that the quota system is the worst that could possibly be adopted, for it takes no account of the varying classes of coal nor of the fluctuating demand which has always existed and always will exist in the coal trade. It is also held by some of the shippers that the coal market can only be maintained by full production and low costs, and it is the opinion of some coal traders that this particular system has meant higher costs. I hope the Minister will believe me when I say that evidence comes to us from all parts of the country that there is grave disquiet at the working of the quota."

There is even greater disquiet to-day. The hon. Member for Leith (Mr. E. Brown) concluded by saying:

> "I beg him not to take merely the departmental view that the Act is all right and must be all right for everybody, merely because some central committee says so."—[OFFICIAL REPORT, 19th March, 1931; col. 2241, Vol. 249.]

That speech was made by the Secretary for Mines when he was a private Member of the House. He is now Secretary for Mines and I am a private Member; and I am making the same appeal to him as he made then to the then Secretary for Mines. This Act is not all right. As far as the export trade is concerned it is all wrong, and its effects must be remedied at once unless we are prepared to face a still further decline in our sales to foreign countries, with disastrous results to our industries, our shipping, to the balance of trade and to the nation as a whole. Before I deal with the question of minimum prices may I remind hon. Members of the figures relating to production and export? In 1913 we produced 287,000,000 tons of coal, and of that we exported as cargo 73,000,000 tons, and as bunkers 24,000,000 tons; making a total of 97,000,000 tons. That 97,000,000 tons—and this is the point to which I want to draw special attention—represented 33.8 per cent. of our total production. In 1932 our total production had fallen to 209,000,000 tons, our exports of cargo coal to 39,000,000 tons and our exports of coal in bunkers to 14,000,000 tons, a total of 53,000,000 tons. But that 53,000,000 tons represented only 25 per cent. of our production. We have lost in 1932 as compared with 1913 no less than 44,000,000 tons of coal; and we are actually exporting 8.8 per cent. less of the diminished production.

It must be remembered that a million tons of coal represents employment for 4,000 men. We have lost 44,000,000 tons of coal, and that represents a loss in employment of 176,000 miners. That is something which should give every hon.

Member cause for deep thought. But that is not all the loss in employment, because it must be remembered that there is a loss of employment to those engaged in shipping, on the railways, in our docks and harbours; and all the ancillary trades. In addition there is the value of these 44,000,000 tons of coal which we have lost, and the House will realise the serious effect which this has upon the balance of trade. I do not quote these figures as evidence against the Coal Mines Act of 1930, but merely to draw the attention of the House to the importance of our export trade in coal. Coming to the position during the last few years I want to point out that by 1929 we were recovering steadily from the effects of the long drawn-out stoppage of 1926. Our exports, I am speaking of cargo alone, had risen again to the substantial total of 60,000,000 tons.

Mr. CURRY: Can the hon. Member give us the percentage which the figure of 60,000,000 tons bears to the total production in 1929?

Mr. DICKIE: I brought a mass of figures with me but I cannot put everything into terms of percentages. If I did I should occupy too much of the time of the House. The point I want hon. Members to remember is that when the Act came into force in January, 1931, there were no quotas or exchange restrictions, or licensing regulations, in operation against our coal, but the very moment it came into force our exports began to fall, and to fall heavily indeed. Whereas in 1930 we only lost 5,000,000 tons in 1931 we lost no less than 12,000,000 tons, and in 1932 we lost another 4,000,000 tons, so that our exports now stand at the phenomenally low figure of only 39,000,000 tons, or little more than half of our exports in 1913. This tremendous decline was no doubt due to a number of causes, not entirely to the Coal Mines Act of 1930, but it is difficult to determine how much of the decline to attribute to each. There is the world depression and the greater use of other forms of fuel, oil, electricity, white coal, tariffs, licensing systems, quota restrictions and, of course, the Act of 1930, all of which played their part.

Some of these things are imponderable, but two of them we can at least weigh roughly, the restrictions imposed by other nations and those which we have imposed upon ourselves. I ask the House to look at foreign restrictions, for it is no part of my case that the whole of this decline is due to the Act of 1930. The countries where the quota system is in operation are France, Germany and Belgium. Take France. The quota was imposed by the French Government in July, 1931; that was the first evidence of a quota restriction by foreign countries. In two years, from 1930 to 1932, the imports into France declined by 7,000,000 tons, from 25,000,000 to 18,000,000 tons, and our share of that decline was from 14,000,000 tons to 9,000,000 tons. That is to say, out of a total reduction of 7,000,000 tons in the imports into France our share of that loss was no less than 5,000,000 tons. Expressed in terms of percentage, as far as total losses are concerned our reduction was 6 per cent., whilst every other country, Germany, Poland, Holland and Belgium, showed an increase of imports into France. That is something which gives cause for thought and should give the Government cause for grave concern.

Mr. GODFREY NICHOLSON: Is it not a fact that we always exported to France up to the full amount that the French allowed up to export, and that their system of licensing has caused that discrepancy?

Mr. DICKIE: There was then no system of licences. That system did not come in until later. The case which is sometimes attempted to be made against the National Government, that the decline in our export of coal is due to tariffs and retaliation, is a case which will not bear a moment's examination. [HON. MEMBERS: "But it is true."] I hope that the hon. Member for Chester-le-Street (Mr. Lawson) will prove that it is true, and I shall be very much surprised to see how it is done. Then look at Germany. In Germany the quota was not imposed until February, 1932. We were not even considering tariffs in this country at that time. It is idle and foolish to say that a restriction of this kind was a form of retaliation when we had no tariffs of any kind and were only beginning to consider the use of that particular weapon. We had to share the brunt of the loss as far as Germany was concerned. We lost 2,564,000 tons. France and Holland increased their exports to Germany, while the Saar and

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Czechoslovakia decreased only very slightly. Belgium did not impose a quota until October, 1931. In the same two years the imports into Belgium declined by 3,600,000 tons. We lost 1,340,000 tons—not so bad in total, but in percentage we actually suffered a loss of over 50 per cent. in the quantity supplied to Belgium.

These are quota countries. The restrictions that they imposed have undoubtedly restricted our exports to those countries, but I do not believe that they account for the whole of the reduction. Restrictions imposed by foreign countries make trading somewhat difficult for coalowners and exporters. I cannot see that that is any reason why this House should add to their difficulties by legislative enactments which are almost impossible of application to a difficult and complex business like the export of coal, and only hinder and hamper our exporters and coalowners in their endeavour to secure business. Over the first we have no control, but the second, the combination of quota and price restrictions, I regard as a double-headed Frankenstein of our own creation, which is threatening to destroy our export trade. If we do not destroy it, it will destroy us so far as that particular section of the industry is concerned. I have always found it exceedingly difficult to understand why these restrictions were imposed on the export trade.

We have had an extremely interesting speech from the Lord President of the Council. As I listened to him I wondered whether the Cabinet was embarking upon an experiment based on the theory which the right hon. Gentleman propounded a year or two ago, that the solution of our industrial problems was to be found in a restriction of our exports. I could never see how it was to be done. Why these restrictions should be imposed by ourselves on one of our vital industries I am really at a loss to understand. I believe in freedom from these restrictions. But part at least of this lost business is recoverable, despite the quotas and the licensing system. Part of it has been lost on account of a feeling of resentment against the fixation of prices, and that despite the well-known fact that a very large quantity of coal is being purchased below the minimum price and also because of the uncertainty of being able to obtain supplies, owing to the quota.

There is a very powerful opposition in every one of these countries to the system of licensing and quotas which has been established there, and if we remove the objectionable features over which we have control we could immeasurably strengthen the opposition in those countries and perhaps succeed in having these things swept away altogether. We are not holding our own. That is the main feature that we have to visualise. The whole of the other big exporting countries, grouped together in those three particular years of which I have spoken, lost in their export trade in coal only 28 per cent. This little country lost 35 per cent. The total loss of the quota countries is something like 9,000,000 tons. A fair proportion of that is recoverable, and I regard it as pure defeatism to regard those orders as an irrecoverable loss. They can be regained, but the only way to regain them is to give our coalowners freedom to produce and our exporters freedom to go out into the markets of the world and seek orders.

Mr. MARTIN: What does the figure of 9,000,000 tons represent?

Mr. DICKIE: The 9,000,000 tons is the total which we have lost in those three years, in what I call the quota countries. These restrictions of the minimum price and a quota have made it very much more difficult to get business. As orders became scarcer production decreased, naturally, and as production decreased the cost per ton increased. Irregularity of working always leads to an increase of cost. In the case of the average pit producing 500 to 1,000 tons a day one single day lost during a fortnight will put up the cost for the whole of that period to anything ranging from 7d. or 8d. to 1s. a ton—a very serious charge on the industry, and more serious than the royalty charge of which we hear so much from hon. Members opposite. Output and production costs are very closely related. But our coal can only sell at world prices. That is one of the things of which we are losing sight. We are deliberately choosing to pursue a policy of handicapping ourselves in our attempt to meet competition in the markets of the world. If persisted in it can only lead to a still further decline, to a point where the purchaser will buy only from us those classes of coal which he cannot obtain elsewhere.

Despite the world depression and the diminished demand, I consider that there is still a very wide field in which we can recapture lost trade. It must also be remembered that when you have greater freedom and keener prices you will open up new avenues to business. There are still new avenues. But the objections to the quota and the minimum price have been reiterated so often that I do not want to go into them in detail. So far as the quota is concerned, I regard it as altogether an evil. In the way it works it is a premium on inefficiency. The call everywhere to-day is for efficiency in industry, as in every other walk of life, yet here in this important industry we are actually keeping alive pits which ought to be closed, many of which ought to have been closed years ago, and in some of which no miner ought to be allowed to work at all to-day. These pits are being kept alive at the expense of the economic pits and at the expense of the miners' wages, for that is how it works out.

Let me say a few words about the method of allocating a quota. It is both cumbersome and slow, and in the export trade it is a positive hindrance to business. The very existence of the quota prevents the making of long-term contracts, and the uncertainty as to what quota it will get deprives the whole industry of anything in the way of security or stability. In the districts the quota is allotted on the standard tonnage of 1929. That was a good year for some pits, but a bad one for others, and a moderate one for still others. No allowance is made for the change in circumstances since. The allocations are made, and every pit which was allotted a standard tonnage in 1929 can claim its share of the allocation now. The quota falls like the gentle rain from heaven upon the efficient and upon the inefficient alike. A demand may arise for some particular class of coal, as in the case of Northumberland steam coal some time ago. The demand cannot be met unless the collieries which are actually supplying that coal are prepared to face the possibility of having to pay a fine of 2s. 6d. for every extra ton of coal that they produce, or unless they are prepared to pay, not what was intended under the Act, but an exorbitant figure, 1s. 6d., 1s. 9d. or even in some cases as much as 2s. 6d.

The colliery which pays the best wages is thus penalised. The collieries which run uneconomic pits are allowed to continue, and some of them in June of last year, though actually bankrupt were living upon the quota. In an age when we have pleading in every direction for efficiency, that is an outrage and a scandal. It is something that in my judgment ought to be abolished altogether. A very important point is this: What happens when this transfer of quota takes place? The efficient colliery which has exhausted its quota has need of additional quota. It seeks to buy from its neighbour which may have quota to dispose of. The owner of the neighbouring colliery knows that the other fellow is in a tight corner. Accordingly, he puts up his price and asks for an additional 1s. 6d. or 1s. 9d. per ton. In order to keep his pit going in the national interests, and keep his men employed, rather than be fined 2s. for overproducing, the owner of the efficient colliery which has exhausted its quota consents to pay the additional 1s. 6d. or 1s. 9d. That is a charge against his production costs. It enters into his ascertainment and affects wages. What happens at the other end? A man sitting in his office drops the telephone, lights a cigar, touches a bell, tells a junior clerk to make an entry in his ledger and he makes a clear profit of 1s. 6d. or 1s. 9d. per ton. That is the condition of things in the mining industry to-day and I tell the Secretary for Mines that it is high time it was stopped. In some cases the sale of quota has been refused altogether or has only been made under pressure.

Now I come to the question of the minimum price. [HON. MEMBERS: "What about the minimum wage?"] I am prepared to deal with that subject also on the proper occasion. At the moment I want to deal with the minimum price, which, I may remind hon. Members opposite, affects the wages of the miner. That is a fact too often forgotten on the other side of the House. There is far too great a tendency for hon. Gentlemen opposite to talk as though nobody but themselves knew anything about the mining industry or had any interest in the miners. [HON. MEMBERS: "Hear, hear!"] I am very glad to hear that

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approval from the hon. Member for Chester-le-Street (Mr. Lawson). He at any rate knows that it is not right——

Mr. BATEY: That your statement is not true?

Mr. DICKIE: The hon. Member knows perfectly well what I mean. He knows as well as I do that many of us here have the interests of the miners at heart as much as any hon. Member opposite. Many of us have lived among the miners and know all about their daily difficulties and the troubles which they have to face and the hunger and the privation which both miners and miners' wives are suffering. We know these things as well as any man who calls himself a miner's Member, and we are anxious to do something practical here and now to help them to better conditions. In my judgment the minimum price is worse than the quota. It may be possible to make out a case for the fixation of prices in the inland trade, but it is utterly impossible to make out any case at all for the fixation of prices in the export trade. The House should remember that we are only one seller. We are trying to sell and to make world prices. We are trying to compel the buyer to buy at onr figure although there are other willing sellers in a free market. That is what is happening under the minimum price. The principle is so unsound that I wonder how on earth it was ever accepted.

It is quite impossible to keep these prices secret. They are known to our foreign competitors. The moment the executive board in any district settles prices, the wires are busy and the prices are known in Hamburg, Antwerp, Oslo, Berlin, and everywhere else, in some cases, before they are known to the owners in the district itself. That is a state of things which would be tolerated in no other industry and which no other industry could survive. Under this Act, too, we deny the privilege which is always accorded to the buyer who places a large order. If the minimum price is observed—I say if it is—the seller must quote to the purchaser the same price per ton for 1,000 tons as for 100,000 tons. It is little wonder that the large buyers on the Continent should look elsewhere for supplies. What would happen in the engineering industry, for example, if some of our big engineering firms were asked to tender through the Overseas Trade Department, let us say, for locomotives for a foreign Government, and were told that they had to tender at the same rate for 10 locomotives as for 100 locomotives; and if, as soon as the tender had been received, the prices were forwarded to their Belgium, Japanese, American and other competitors. Yet that is the actual position in the coal export trade. It is sheer folly to advertise the prices to the world in this fashion.

During the debates on this subject at the end of May and beginning of June last year, I touched on the question of evasion. I said then that it was a subject which had to be treated with great delicacy. At the present time it needs to be touched upon with even greater delicacy. The hope expressed by the President of the Board of Trade that the longer this went on the stronger would be the power of the owners and the better they would be able to deal with that sort of thing, has not been justified. Evasion has grown steadily worse, until, to-day, it is not too much to say that the export section of the industry is in a state of utter and absolute demoralisation. This Act of Parliament is undermining British commercial morality and driving honourable business men to do things which they loathe and detest. In a difficult technical and complex business of this character—and this disposes of the Amendment which I see on the Order Paper—neither the Commons House of Parliament nor any other form of tribunal can stop these evasions. Those who are evading the Act know that perfectly well. The hon. and learned Member for East Bristol (Sir S. Cripps) knows that however strong a law may be there is always a means of evading it. This law is being evaded every day and there is no power in the House of Commons or the owners to stop the evasion. The only way to stop it is to uproot the causes which have led to it.

Separately, I contend, that these two things to which I have referred are bad. Jointly they form an unholy combination which is having a terrible effect upon our export trade and our export trade will never recover until we get rid of them. I wish to deal with some of the arguments which have been used in favour of the retention of the quota. The most illogical is one which has been used, both from the Government Front Bench and from the other side of the House. That is the argument "Oh, you have not exhausted your quota for the last quarter." What is the position? You impose a quota on a district and on the individual collieries in that district which definitely restricts their output, which prevents them under penalty from producing more. This restriction causes irregularity of working and irregularity increases the cost of production. They cannot get a higher price and you debar them from taking a lower price, which they could do if they were working at full capacity. When they complain you say, "But you have not exhausted your quota for the quarter just concluded." That is the most illogical argument that could be used.

Another argument is that our potential capacity is 300,000,000 tons, that last year we produced 210,000,000 tons, and that we ought to be content with our share of the world's production. I do not agree with that. Our potentioal capacity may be 350,000,000 or 400,000,000 tons and the actual output ought to be regulated only by the amount of coal that we are able to sell in the markets of the world. I ask is that principle to be applied in other industries such as the iron and steel industry, the cotton industry and the motor car industry? Their potential capacity for production is greater than the demand at the moment. Is that to be made a reason for Government interference and for imposing regulations which hinder and hamper their efforts to secure orders?

The third argument which I have heard is that if there is a repeal of Part I prices will slump. I do not believe it. I remember that when the Act was passing through this House people, both inside and outside the House, said that as soon as it was placed on the Statute Book it would have the effect of increasing prices enormously. Nothing of the sort happened. It was pure speculation then, and it is pure speculation now. There is nothing to show that there is likely to be any slump in the price of coal, even if Part I of the Act is repealed. I would remind the House that as far back as the 2nd June the ex-Secretary of Mines promised that he would give this matter his immediate consideration. In reply to my hon. Friend the Member for Bishop Auckland (Mr. Curry), who asked if some assurance could be given that immediate steps would be taken to inquire into and amend the operation of Part I, the Minister said:

> "I need not dwell upon it now, but I gave a definite and categorical assurance on that point. I said that we were awaiting from the Mining Association the amendments that they had under consideration, and that, as soon as those amendments had been notified to us, they would be correlated with the amendments that we had in our own minds, and the Government would decide what Amendments would then be brought forward.—[Official Report, 2nd June, 1932; col. 1376, Vol. 266.]

A little later in the Debate he gave me a similar categorical and definite assurance which wound up with this:

> "It is our business to do all that is humanly possible to recover those markets, upon which our export trade depends."—[Official Report, 2nd June, 1932; col. 1465, Vol. 266.]

Now we are in the position that things have been going from bad to worse, and nothing has been done. I suggest that the only cure for this sort of thing is either to amend the Act so drastically as to give complete freedom to the export areas, or, failing that, to repeal Part I of the Act altogether. It may involve legislation and setting up some scheme of co-ordination of prices between districts and co-operation within the districts, particularly in the inland section of the trade, but, so far as we in the export areas are concerned, we are not prepared to be debarred from those markets which we have built up and which we enjoy to-day. We are a maritime nation, and we have a very big coasting trade. The first coal that was borne to London or to the South of England came from Newcastle, and that is why it was called sea coal. We have captured these markets because the freight from the North of England to the South is only 4s., while the railway rate is 19s. Does anyone contend that the proposition of the ex-Minister of Mines that we should pay 15s. extra for coal in order to bolster up the railway transport is a serious business proposition? It is a question of transport, and all that we ask for in those markets is that we shall have a fair field and no favour.

A few weeks ago the Minister of Mines opened some estates on the River Tyne. We have been very badly hit there, but we have not lost our courage. We have

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spent £120,000 in building those estates, and they are to-day in all probability the most modern in this country. The Minister then gave us some good advice, which was that we should throw away despair. We are throwing it away, and we ask him to help us to get rid of it entirely. I will not say anything about bunkers, but I hope the Minister will consider that important aspect of the mining problem, as we are losing in that direction as well. In so far as the export trade is concerned, the Government and the Minister of Mines should do everything they can to give us back our freedom, in order that we may fight in the markets of the world for the orders on which the industry depends. This matter was placed before the House very much more eloquently than I can place it by the present President of the Board of Trade in March, 1930. What he said hits the situation exactly now, as it did then, because the position is precisely the same except that it has got a great deal worse. The right hon. Gentleman then said:

> "It seems to me that, the more one looks into the question of the export trade, the more essential it is that it should be given the utmost elasticity, that no checks should be placed upon it in the interests of all concerned, but that it should have complete freedom to meet the demand as and when it arises. Do not let it be imagined for one moment that those who control the coalfields of foreign countries are going to be so merciful to us. They want to get business, and so do we, and it is our duty to capture it for the sake of the national trade and of the miners employed in it. Anything that we do to take away our freedom in the foreign export trade to capture those contracts, will be throwing away much of our present organisation for the sale of coal."—[OFFICIAL REPORT, 11th March, 1930; col. 1167, Vol. 236.]

The position is getting steadily worse, and last week was the worst week the Tyne Improvement Commission has known since the general stoppage of 1926. On Saturday last one of the pits in my district closed down, and over 200 men were dismissed. On the same day another colliery issued notices involving the dismissal of another 700 men, and only yesterday in my constituency, the largest producing concern, owning a large number of collieries and employing 6,000 men—each and every one of those collieries was idle, and may be idle to-day, on account of the loss of trade. I submit that this is a very important matter, and I would——

The SECRETARY for MINES (Mr. Ernest Brown): Do I gather that the hon. Member attributes all that to the operation of Part I of the Act?

Mr. DICKIE: No, and I think the House will agree that I have been perfectly clear in saying that I do not attribute all this to the Act. I am calling attention to the very serious and grave position, and I put this Motion on the Paper because I want to see something done in the interests of these miners and their wives and families. I have dealt throughout with this matter as a business proposition primarily, but I know perfectly well that it is not entirely a business proposition, that there is a human side to it; and a very tragic human side it is. I know something about the sufferings which have been caused by unemployment, by irregular employment, and by low wages. This problem of the export of coal is one of the problems of the devastated areas, which are nearly all in the districts where we export coal, and I ask the Government to consider this matter, because it arises not only in our constituencies; in the very constituency of the Prime Minister himself the pits are working most irregularly, little more, I am told, than half-time, and I ask the Government to consider the matter, not only as a business matter, but to visualise the great mass of suffering in those areas and, by prompt and effective action, to do something to alleviate the situation.

8.34 p.m.

Mr. CLARRY: I beg to second the Motion.

I think the thanks of the House are due to my hon. Friend the Member for Consett (Mr. Dickie) for bringing this vital matter forward for discussion, and we very much appreciate the detailed and forceful manner in which he has put his case. I do not propose to speak at any great length, but I would like to crystallise the position and the seriousness of it. Coming from one of the largest exporting areas in the country, South Wales and Monmouthshire, and representing Newport, which is the port of shipment of the Monmouthshire coalfield, it is a matter of very vital and urgent importance to us, and representations have been made to me which, in passing on to the Minister, I cannot urge with too much forcefulness. When Part I of the Act was originally discussed, its purpose was stated to be to adjust the supply of coal to the current effective demand and to deal with the dead weight of from 60,000,000 to 80,000,000 tons excessive capacity available in the country. At the same time, the Minister made it clear on the subject of prices that, in granting to the coal industry the power to impose minimum price schedules, it would provide the industry with the necessary revenue to maintain wages and to secure a reasonable profit to the owners.

It will not be denied that these two objects have not been achieved. It is true that progress has been made in the stabilisation of prices, although the effect of the Act in this respect is controversial. The fundamental point is that pithead prices during the operation of Part I are actually lower than in 1930-31. Meantime, the costs of production, in which the cost of the administration of the scheme bears some important part, have helped to keep up costs when other competitive industries have been able to reduce their costs of production. With regard to exports, which is the real subject of this Motion, during the three years our exports have fallen from 60,000,000 tons to nearly 39,000,000 tons. Of that quantity, South Wales and Monmouthshire exports have fallen from 24,000,000 to 16,000,000, or by 33⅓ per cent. It is idle for anyone to argue that this is entirely due to the operation of this Act. There are many other causes. There is the much fiercer competition by foreign exporters. There is a world depression, and of course there is the operation of quotas from three countries—France, Belgium and Germany—while Spain is endeavouring to enforce some form of quota but the rest of the world is free and unrestricted.

If we make comparisons in the realm of the world export trade, we find that Great Britain has suffered more during the operation of this Act than the other five important exporting countries. Great Britain's exports during this period have fallen 35 per cent., while the exports of the other five countries have fallen only 28 per cent. This is a very serious matter, and, if we were to calculate the quantity of coal we should have exported last year if we had been able to maintain the same pro rata export as our foreign competitors, it would represent 5,000,000 tons of coal, and it is not too much to say that this loss is mainly due to the operation of Part I of this Act. It might be argued that if we had to sell this 5,000,000 tons of coal, it would have to be sold at a lower price than the present prices, which in some cases are uneconomic; but against that we have to offset the lower cost of production due to the larger outputs of the collieries.

I have no need to stress the necessity for exports from this country in order to assist our trade balance and the importance of coal to shipping, because, in spite of the reduction in the tonnage of shipping, coal still forms four-fifths of the total weight of tonnage exported from this country, and approximately two-fifths of our ships are bunkered by our coal. When we came off the Gold Standard it was felt that it would be a great opportunity for our exporters, particularly coal exporters, but the operation of the quota and price fixation has practically nullified that advantage. Foreign exporters are aware of the quotations which are made in competitive markets and are able to quote only a fraction of a penny less than we quote in order to obtain our business.

Coal is very often sold, particularly abroad, because of its description and fitness for special purposes, and numerous cases can be cited where exports of coal have been lost to this country because the particular colliery that can supply the customer's particular requirements has used up its quota. While these points apply to all exporting areas, I submit that it has a particular bearing on South Wales and Monmouthshire, which is a very distressed area, and the indirect operation of this Act has been a means of diverting Monmouthshire coal, which would be normally shipped at Newport, to other ports. This is a subject of strong representation from the Newport Chamber of Commerce, together with the condemnation of Part I of the Act. Strong representations have also been made by the Association of British Chambers of Commerce and the Chamber of Shipping to end export restrictions. In the search for measures to find work to relieve the

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heartbreaking unemployment in our distressed areas, I submit that we have a means here at hand for increasing work in our coalfields, railways, docks and shipping by giving back to the exporting and bunkering coal trade the freedom which was taken from it by the operation of this Act.

8.43 p.m.

Mr. GEORGE HALL: I beg to move, in line 1, to leave out from the word "That" to the end of the Question, and to add instead thereof the words:

> "This House approves the action taken to continue Part I of the Coal Mines Act, 1930, for a further five years, and urges the necessity for a strict supervision of the operations of the district committees in order to ensure the effective administration of the law."

Like my hon. Friend who moved the Motion, I represent a mining division, but, unlike him, I ask for a continuation of Part I of the Act. I ask that because I think that it is in the interests of the mining industry that it should be continued. My hon. Friends and I are not going to argue that Part I of the 1930 Act is perfect. It is not perfect, and we should like to see some alteration, but we think that the people who should bring forward suggestions for the alteration of that Act are the people who are directly connected with the industry. I am tempted to ask my hon. Friend on whose behalf he is speaking. Is he speaking on behalf of the Mining Association of Great Britain?

Mr. DICKIE: Most assuredly not, and I very much resent the insinuation. I am speaking here as a Member of Parliament representing a mining division—the owners, the miners, the railwaymen, the postmen, the grocers, and everybody else in the constituency.

Mr. HALL: I have no desire to impute motives to my hon. Friend, but on a Motion of this kind I think it is only fair that we should know whether representations had been made to the hon. Member by the various associations connected with the industry asking him to advocate the repeal of Part I.

Mr. DICKIE: I have had the usual things which are sent to every Member of Parliament when a Motion of this kind is to come before the House—from coalowners, from exporters and from chambers of shipping and other organisations which are interested; just the same as every other hon. Member has.

Mr. HALL: I also have received the usual circulars, but not one from the Mining Association, not one from the Miners' Federation, not one from a large producer of coal. From exporters—yes; from chambers of shipping—yes. We say that while the machinery of the Act is not perfect it embodies means whereby representations can be made for the purpose of tightening up the Act. My hon. Friend suggests that there are evasions of the Act. There are evasions, but that is not the fault of the Act but of the people who carry on the evasions. For my hon. Friend to suggest that Part I is driving honest business men to practices which they detest does not speak very well for the honesty of the mineowners of this country.

Sir ROBERT ELLIS: The hon. Member did not say that of business men.

Mr. HALL: But that must be the inference. It is the mineowners who are responsible for administering the Act. The whole machinery of the Act is entirely in the hands of the owners.

Mr. McKEAG: Surely the hon. Member realises that they have been doing whatever they could to find work for their own men.

Mr. HALL: If they deliberately break an Act of Parliament instead of endeavouring to fix the minimum price at which coal can be sold, it does not speak too well for them or the way in which they conduct their business. The point I want to make is, that if there are complaints against the Act, the whole machinery of the Act is in the hands of the owners themselves. That applies to the central committee and the district committees. No other body or organisation has any representation upon district or central committees. The number of complaints received about the administration of the Act is almost negligible. I will deal with the question of the quota. In the excellent report by the Mines Department on the working of the Act, issued towards the latter part of last year, they state, with reference to quota allocations:

> "In only comparatively few cases has it been necessary for applications to the central council for increases in allocations to

be referred to arbitration. During the first three months of 1932 there were only two such references."

Where are all the complaints about difficulties arising as the result of the allocation of quotas? My hon. Friend suggested that it is hardly logical to refer to allocations and output. It is interesting to note, according to this report, that in the first quarter of 1932 the actual output of coal was 15.7 per cent. less than the quotas allocated. In the county of Durham in the same quarter the coal output was 19.3 per cent. less than the quotas. In the June quarter the output was 8.6 per cent. less than the quotas and in the September quarter 16,23 per cent. less. Where are the mineowners sitting in their offices making 1s. 6d. a ton as the result of selling their quotas—just sitting at the telephone? Some of the statements made by my hon. Friend were almost unbelievable.

Mr. DICKIE *rose*——

Mr. HALL: My hon. Friend took 50 minutes for his speech, and as this Debate will have to close at 11 o'clock he might give me an opportunity. As far as I know, my hon. Friend is not representing any organised body, either the Mining Association, the Durham Mining Association or the Miners' Federation of Great Britain. He may pay lip service to the question of the minimum wage for miners, but those of us who have had experience in negotiating the wages of miners know that without minimum prices they cannot get minimum wages. My hon. Friend is asking for unrestricted competition, yet we know that right along from 1921 until 1930, when the mineowners had unrestricted competition, the price of coal fell to 50 per cent. of what it was and the wages of miners fell to the same extent. The condition of the industry became very much worse under unrestricted competition, yet my hon. Friend is asking for a return to unrestricted competition. That would inevitably mean wages very much lower than those which are being paid at the present time.

We have had a shrewd suspicion, as the hon. Member for Newport rightly said, that chambers of shipping and exporters are, of course, pressing for the repeal of Part I of this Act. If there is any body of people who have made money out of the export of coal it is exporters and chambers of shipping. The exporters can always live and the producers can always starve. The late Lord Rhondda, who was not only a coal producer but was an exporter, always maintained that he could make more money out of selling coal than out of producing it, and what exporters are concerned about at the present time is not so much the price at which coal can be produced as the commission they can get out of the selling of the coal irrespective of the price at which it is being sold.

As I have already pointed out, the organisation of the industry under Part I of the Act is entirely in the hands of the coalowners. They control the whole machinery, district and central. Mr. Archer, the chairman of the Export Committee of the Midland Amalgamated District, said recently that it was the duty of owners to operate Part I honestly and sincerely, and after they had tried to operate it in that way then, if they failed, they could inform the Government that they had been set a task which could not be performed. The coalowners, however, were obviously unable to take that line. Despite some of the criticism, the majority of them would regard the repeal with dismay. That is the attitude of the Mining Association—not that I want to appear here this evening as an advocate on behalf of the Mining Association. That is the attitude of the Miners' Federation. I am speaking on behalf of the Miners' Federation. This Bill does not satisfy us entirely, but it is better than the unrestricted competition which would arise if the Motion of my hon. Friend the Member for Consett were carried. Mr. Lee, Secretary of the Mining Association of Great Britain, put the position of the coal industry from the owners' point of view quite clearly, in the article which he wrote in the "Colliery Year Book" for 1928. He said:

> "The surplus of productive capacity over present demand, both in the inland and export market, has brought down coal prices far below the general level of prices. They have reached a point at which the economic operation of collieries is impossible and the capital resources of the industry are being gravely impoverished. As is well-known, schemes for co-ordinated action with a view to securing more economic relationships between costs of production and prices, are already under consideration in most of the large coalfields."

[Mr. Hall.]

That was under a Tory Government in 1928, before there was any suggestion of the introduction of the Bill which brought about the Act of 1930. Mr. Lee further said:

> "Concerted action of this character is vitally necessary, not only to maintain the rates of wages of the mine workers in fair relation to those in other industries, but to avert the most serious danger to the very fabric of the industry during the abnormal period through which we are passing."

Those were the words of Mr. Lee. It can be said of Mr. Lee that he knows his job. He knows the industry very well. We say that the condition of the industry is very much what it was in 1928, when Mr. Lee penned those words. The hon. Member for Consett referred to the fact that the present Secretary for Mines opposed the Act when it was passing through the House in its early stages. The President of the Board of Trade did likewise, and so did the late Secretary for Mines. When they were brought close up against the problems with which the mining industry was and is confronted, they saw that their attitude during the period when the Bill was passing through the House was wrong.

Mr. E. BROWN: If the hon. Gentleman will search the Official Debates, he will find that my objection was not so much to the case made out, but to the machinery which is now being discussed.

Mr. HALL: I remember the Debates and some of the speeches. I have here some of the speeches of the hon. Gentleman the Secretary of Mines. He will have an opportunity to deal with them later. I well remember some of the speeches which were made with regard to the tremendous increase of prices which was going to take place as a result of the operation of Part I of the Act. The increase of prices has not been brought about. There is a stability of price for which the mining industry is profoundly thankful. I am not going to quote figures other than from the export prices in 1929, to show that the price for coal exported from this country was 16s. 1¼d. per ton. The average price in 1932 was about 15s. 11d. per ton. There has been very little fluctuation. I am surprised that hon. Members who support this Motion are always asking, not only for stability of price, but for an increase in the price, to deal with unemployment.

The hon. Member for Consett is asking that we shall not have this stability of price in the mining industry, but that we shall have a reduction of price so that we can capture the market. That has been tried, and it has failed. I have already referred to the statement which was made by Mr. Archer, who knows questions of marketing. I am not going to take up the time of the House in quoting some of the statements that were made in the course of Mr. Archer's speech. I ask hon. Members to take the trouble to read the speech, which is published in some of the technical journals. The case for Part I and for some of the Amendments to Part I of the Act has been very well put.

The hon. Member for Consett really asks for the repeal of Part I of the Act, as far as the export trade is concerned. He, like myself, represents an exporting area in this House. He represents Durham and I represent South Wales, two districts which are, we can say without exaggeration, almost entirely dependent upon the export of coal. I take a good deal of interest in the export trade. It is, as the hon. Member for Consett rightly pointed out, a vital part of the trade and industrial life of this country, from the point of view of employment. If you destroy your coal export trade, you at once throw 200,000 workers out of employment and, in addition, all those who are engaged in the ancillary occupations upon railways or docks, or as seamen. My hon. Friends who come from the mining districts would not do a thing in any way to injure the export trade of this country. We are of opinion that the nation does not take the interest that it should take in the export trade. We hope that the coal industry, that portion which is producing for inland purposes as well as that which is producing for export, should be treated as one economic unit.

The hon. Member for Consett is asking in his Motion to give all the advantages, if there are any, of Part I of the Act, to inland districts, and to take away from the exporting districts any advantage that there may be. That is making the gulf very much further, instead of endeavouring to bring the exporting and the inland areas very much nearer. What a contrast to what is taking place in Germany, one of our main competitors, where the whole industry is organised for the purpose of competing with us in those neutral markets. Not only are the inland and export coal industries in Germany and Poland acting together, but they have the support of the Government, which is very heavily subsidising the export of coal. Those Governments realise the importance of the export trade to the national life of the country. Figures have been given by the hon. Member for Newport (Mr. Clarry) and the hon. Member for Consett as to the loss of export trade. They did not give the figures for last year, and they made no comparison between the percentage loss of export trade in this country with the percentage loss of export trade of other countries which are our main competitors. I will give the figures.

Mr. CLARRY: I gave those figures, namely, 35 per cent. for this country and 28 per cent. for the other five countries.

Mr. HALL: I understood that those figures covered a period of three years.

Mr. CLARRY: Yes.

Mr. HALL: I want to speak about last year as compared with 1931. The loss of export trade by Great Britain to foreign countries last year was less than 9 per cent., whereas in the case of Germany it was about 22 per cent., of Poland 28 per cent., Belgium 32 per cent., Holland 28 per cent., and the United States 27 per cent.

Mr. CLARRY: That was in one year only.

Mr. HALL: Yes, but it was last year, in reference to which my hon. Friend deplored the fact that there has been this terrible loss, which we all deplore. May I call the attention of my two hon. Friends and of the House to the real cause of the difficulty with which the export coal trade of this country is confronted? Reference has been made to restrictions, which have been aggravated very largely as the result of the fiscal policy of the present Government. Coal has been the pawn in the fiscal war that is being waged at the present time. I shall endeavour to prove that statement.

Which are the best customers of this country for export coal? There is an idea that coal exported from this country is being sent to the furthermost parts of the earth, but, instead of that, it is our near European neighbours that are our best customers. In the year 1930, when we exported 54,800,000 tons of coal, one ton out of every four exported from this country went to France; 12,969,000 tons of coal left these shores for France. Italy took over 7,000,000 tons; Germany nearly 5,000,000 tons; and Belgium nearly 3,500,000 tons. These four countries, in 1930, took more than half the total amount of coal exported from this country, and, if we add the Irish Free State—where there is a very heavy duty at the present time—and Spain, 32,500,000 of the 54,000,000 tons went to these countries, which have now restrictions and duties against us. The same thing happened in 1931. Of the 42,000,000 tons of coal which we exported in 1931, nearly 26,000,000 tons went to these five countries. In 1932, of the 38,000,000 tons of coal that we exported, 20,800,000 tons went to these countries. All of these nations now have restrictions in the form of quotas or very heavy duties, and that is, to a large extent, the cause of the suffering in the exporting areas of this country.

Mr. SLATER: May I ask the hon. Member if these countries are justified, in view of their favourable balance of trade with this country, in imposing restrictions against our export coal?

Mr. HALL: I am not going to justify anything; I am simply stating facts, and I am sure the hon. Member does not doubt the facts. In the year 1931, our export trade suffered a reduction of nearly 16,000,000 tons as compared with 1930. The reduction in our exports to France, Italy, Germany, and Belgium accounted for 10,500,000 of the 16,000,000 tons, and, again, adding Spain and the Irish Free State, the loss in the case of these countries amounted to nearly 12,000,000 tons. Last year, as compared with 1931, showed a reduction of nearly 4,000,000 tons in our export coal trade. The reduction in the case of the four countries France, Italy, Belgium and Germany, accounted for 4,500,000 tons, or 500,000 tons more than our total loss of export trade for that year. Adding again Spain and the Irish Free State, we account for losses of over 5,000,000 tons, or almost 1,500,000 tons more than our total loss during that year.

My hon. Friend spoke about further reductions in prices. Does he or anyone else imagine that it is only a question of reducing prices in the face of the re-

[Mr. Hall.]
strictions which exist at the present time? He may refer to the Scandinavian countries; he may refer to the market in Poland, and in Denmark, Norway and Sweden. I know that those countries took a larger percentage of coal from Poland and Germany during last year and recent years than they did previously, and there is no justification for that in view of the trade balance between them and this country; but, if we had the whole of the trade which Germany and Poland now have in those three countries, Denmark, Norway and Sweden—if we had sent them the whole of the coal that they required last year—it would not make up for the loss of our export market in the four countries to which I have already referred.

I am not going to deal with the question of restrictions, although it has been referred to—French, Belgium and German restrictions—but I would like to ask the Secretary for Mines if he will, when he comes to reply, give, not only the House of Commons, but the coal industry generally, an idea of how the negotiations with these other countries are proceeding. We heard some time ago that tariffs were to be used as a bargaining weapon. I want to say—I do not mean it in a personal sense at all—that, if any industry in this country has been treated in a brutal and callous fashion by the present Government, it is the coal mining industry, and especially the export trade. It is no use those who went to Ottawa and negotiated the Ottawa Agreements coming here and saying that they brought back orders for an additional 100,000 or 200,000 tons of anthracite coal. The quality and price of Welsh anthracite coal almost demand a market for it. It is the one bright spot of the British coal industry, and it was so before the Ottawa Conference, because it was the one part of the British coal mining industry whose post-War output exceeded the pre-War output. I would also ask the Secretary for Mines to give us an idea when the Italians are likely to place the additional order for 1,000,000 tons of coal under The Hague agreement, from which South Wales has benefited so much. Already 2,000,000 tons have been sent, and there is an additional 1,000,000 tons waiting; and we are anxious that that order should be placed in South Wales as soon as possible.

We say quite frankly that there are defects in Part I of the Act. It has been shown that the Act has succeeded in maintaining some degree of stability in particularly difficult circumstances, but it has not succeeded in its main object, which was to fix such a price for coal as would give a proper standard of living for the miners, and, may I say, a fair margin of profit to the owners. Its failure must be attributed to some extent to the absence of proper co-ordination of prices between the districts. The mere fixing of minimum prices on a district basis tends only to substitute inter-district competition for individual competition, and it has been proved that this inter-district competition can be as severe as it was before the Act came into operation. The owners have endeavoured to co-ordinate district prices, but up to the present they have not succeeded. I understand that they have, at the request of the hon. Gentleman, who invited them to consider the defects of the Act, made representations that there should be some co-ordination on this question of district prices. The Miners' Federation also asked that this should be done, and I am sure my hon. Friend has read the very excellent memorandum issued by the Miners' Federation in the early part of last year. May I ask what the Minister is doing in regard to this matter. It is a long time since the owners made the representation to him. The Central Council has no power to fix prices itself, nor can they amend the prices fixed by a particular district. We claim that the central body should be given statutory powers to regulate the level of prices on a national basis. Unless this is done, there can be no assurance of effective co-ordination throughout the industry.

Then those of us who come from the exporting areas—we mention this question of the national levy with fear and trembling—believe that there should be complete co-ordination between the inland and the export trade. That is being done in those countries which are our chief competitors. Take, if you like, Poland. It can truly be said that Poland has virtually nationalised her coal-mining industry to enable her to deal effectively with the question of her export trade. She is able to compete with us for that reason, that the Government are heavily subsidising her export trade as they recognise the importance of that branch of the trade. Then, if amendments are to be made in Part I, we claim that, in the interests of the industry and of the workmen, representatives of the workmen should be allowed to share with the owners the responsibility for the control and the direction of the schemes, for the wages and conditions under which the workmen are employed almost entirely depend upon the price that is paid for the coal produced, and, therefore, it is but natural and equitable that they should have a voice in the fixing of those prices. We think that the participation of the representatives in the direction of the industry would prevent unnecessary controversy and delay and give that rapidity of decision and action upon which business so largely depends. After all, the representatives of the workmen are men of knowledge and experience of the industry who would be able to make a genuine contribution to the solution of the difficulties with which the industry is faced.

We think the Act could be strengthened so that in the inland trade a minimum delivered price should be fixed for various classes of coal in prearranged zones and so that coal is not sold in any zone below the price fixed for the particular class of coal in that zone. If properly co-ordinated and carried out, this would ensure that, as far as possible, each zone would supply its natural market and that collieries outside a particular zone would supply that zone only with coal which could not be produced from collieries within that zone. Part I has been in operation for two years of exceedingly great difficulty in the mining industry. We think it has more than justified itself. It could be strengthened as I have suggested. It should then be continued. To-day more than ever before the circumstances of the industry require that the principles of regulation and co-ordination should be rigidly applied, for to-day the surplus of productive capacity over present demand is greater than ever before. We claim that a return to the old conditions of free competition would be disastrous to the coal industry and to the country. We go further and claim that it is only by the European application of some such organisation that the coal export trade can be saved and a strong national organisation in this country, which is after all the chief producing country in Europe, will be a preliminary and necessary condition of an international or European organisation.

9.20 p.m.

Sir ADRIAN BAILLIE: I desire to support the case against the continuation of Part I of the Coal Mines Act. I have listened with considerable interest to the speech which we have just heard, and I am sure that many of the arguments that the hon. Member used for the continuation of Part I and its application to the export trade will have impressed the House, and possibly even the Secretary for Mines. He suggested, however, that the hon. Member for Consett (Mr. Dickie) was proposing the abolition of Part I in order to allow of unfettered competition in the industry. If that is the hon. Member's intention, it is not mine. I merely suggest that the restrictions imposed by Part I are not the right sort of restrictions. We were told by the Lord Privy Seal that we should not be surprised, but I was surprised until I heard the hon. Member, representing a constituency chiefly employed in the export of coal, drop the remark that Welsh anthracite demands a market. If you happen to be favoured, it is suggested that Welsh anthracite demands a market.

Mr. CLARRY: It is 40 miles away.

Sir A. BAILLIE: I shall be excused for not knowing the geography of that part of the country. It will be sufficient to recall the situation that occurred in the December quarter of last year, affecting the Lothian Coal Company, which had to post up notices restricting the working week to three days when all the time they had on their books orders for coal for Scandinavia. The only reason why they could not fulfil them was because they had exhausted their quota. The Scottish district had exhausted its quota, and there was not a quota available to purchase. West Fife was in the same position. To pile up injury upon injury, the company had to pay a fine for failing to fulfil their obligations. An example such as that ought to have been sufficient to convince even the most ardent supporters of the regulation of the output of coal in this country that the particular form of regulation contained in Part I of the Coal Mines Act, 1930, is at least no better than the

[Sir A. Baillie.]

curate's egg. When the Government interferes in such an industry as the coal mining industry, with its ramifications and its variety of conditions, interests, and requirements, then that Government or its successor should not rest content with legislation which, while admittedly satisfactory to a large part of the industry, is certainly most unsatisfactory to a minority of that industry, and a very important minority in that it is engaged in the export trade of this country.

By whom was the Act drawn up? By the late Socialist Government. Why was the Act framed and what were its objectives? I find them stated in the memorandum, which has already been referred to, which was drawn up by the Miners' Federation explaining away the Act. It states in the opening paragraph the objectives as follow:

> "Part I of the Coal Mines Act, 1930, was designed to check the evils of unrestrained competition between the numerous units of the coal mining industry. Such competition has always been a source of weakness to the industry and a big factor in lowering its economic position."

I have very little doubt that the framers of the Coal Mines Act, 1930, might have hoped that the Act would be a stepping-stone towards nationalisation, which they always advocate on every platform but which, thank God, they have never yet been able to reach. As to their reference to unrestrained competition as a big factor in lowering the economic position, then, if nationalisation is to be the only alternative, experience shows that nationalisation has never succeeded in raising the economic position of the coal mining industry. Hon. Members will all agree that cut-throat competition is to be deprecated. If, however, it is a question of supplying co-operation instead of cut-throat competition, of supplying lubrication instead of friction, I agree, but I say that that co-operation must be based on common-sense principles, must have the willing consent of the co-operators, and must bear in mind the real interests of those concerned.

My claim and my indictment are that Part I and Part II of the Act of 1930 entirely ignore the conditions which are pre-requisite to healthy co-operation. I am supported in this, as far as I can make out, by Sir Ernest Gowers, the Chairman of the Coal Mines Reorganisation Commission. Speaking recently in Cardiff, he expressed considerable doubts as to the proved value of recent large amalgamations and combines, and added:

> "Voluntary amalgamation represents an organic growth, whereas compulsory amalgamation is a surgical operation."

It is an operation which unless the Ministry of Mines or this Government will intervene, will shortly take place in Scotland. It may be termed a surgical operation, but where is the anaesthetic? It will be vivisection by surgeons who, while very highly paid, are, so far as I know, inexperienced if not inexpert. I hope that, if the Government cannot intervene to stop this form of industrial brutality, they will at least see that these surgeons will only use the knife of fair play and common sense.

To return for a moment to the framers of the 1930 Act, it will not be uncharitable to assume that they and the Socialist Government were imbued with the laudable desire to protect the wages and the employment of the men in the coal mining industry. Let us see how far they have been successful. I agree with the hon. Member for Consett that all the recent troubles in the coal mining industry cannot properly be put down merely to the Coal Mines Act, 1930, but has that Act been successful in protecting the wages and conditions of employment in the industry? Speaking as to the export situation alone, I cannot give a single case where, as a result of the provisions of that Act, one miner has benefited. On the contrary, we have had the case of the Lothian Colliery Company which I quoted in my opening remarks. I am not exaggerating when I say that, since the Coal Mines Act, 1930, was introduced, 150,000 miners have lost employment. In December, 1932, there were 53,000 fewer miners on the colliery pay rolls than at the beginning of 1932, which again supports my argument. In the December quarter of 1932, on the other hand, the Scottish district was short of quota—and I would draw the attention of the hon. Member for Aberdare (Mr. G. Hall) to this—by 450,000 tons.

Mr. G. HALL: May I call the hon. Member's attention to the fact that almost every other coal-producing district in the country is at variance with Scotland because the Scottish owners are fixing the minimum price of that coal so that they are able to bring coal, which really ought to be used for export, inland and sell it there? They bring it into Lancashire and Yorkshire. If Scotland would export their coal, which they ought to export, at a proper price, then they would not compete and take the coal from some of the other localities.

Sir A. BAILLIE: I am entirely unimpressed. My whole argument is——

Mr. KIRKWOOD: Is it true?

Sir A. BAILLIE: If in Scotland, as I believe to be the case, the Scottish collieries are so efficiently organised that they can sell their coal in Lancashire at a lower price than the Lancashire collieries, I have no objection. If my hon. Friend's complaint is that the minimum prices are so low in Scotland that they affect the miners' wages, then one has to look a long way to find a higher level of earnings than that in the Scottish coal mining industry.

Mr. DUNCAN GRAHAM: I ask the hon. Member if he will be good enough to give any evidence to justify the statement that he has now made, that the wages in Scotland are higher than they are in any other part of the country? May I further call his attention to the fact that, because of the black-legging tendencies of the Scottish coalowners, they have to work a considerable number more days per year than in any other district in the country. Take the day wage——

HON. MEMBERS: Speech!

Sir A. BAILLIE: Again, that interruption only goes to confirm what I was saying. I was talking very specifically about the annual earnings, and if the hon. Member who chose to intervene just now likes to put forward the case that it is better to work fewer days in the year than more days in the year, I will give him a present of his own argument. As I was saying before I was interrupted, in the December quarter of 1932 the Scottish district was short of quota by 450,000 tons. With this position facing them, Scottish coal exporters were obliged to withold quotations. There was a definite loss of orders, but what was much worse than the loss of orders was the loss of confidence of the foreign buyer in the ability of the Scottish coal owners and exporters to deliver the goods. It has been argued to-night—it is very often put forward by the protagonists of what I consider is a monstrous piece of legislation—that a district can quite easily apply to the Central Council for an extra allocation. But hon. Members must realise that in order to obtain an extra allocation a district has to put forward a very good case, and that takes time, and when that time has elapsed the damage has been done. That was the case in the December quarter of 1932 in the Scottish district. On 17th November they made application to the Central Council for an extra allocation of 450,000 tons. Consideration of the application was deferred until 24th November, when only after severe opposition from the Midland districts they were allocated 300,000 tons. As I say, by that time the damage had been done and orders had been lost. It is this lack of elasticity in the operation of those restrictions which is one of the most vicious features of this legislation. I submit that it is not beyond the perspicacity of the Secretary for Mines and the Government to realise that the operations of the quota, as far as exports are concerned, have been, and inevitably must be, to the detriment of that part of our great industry.

There is only one other point I desire to make. Reference was made just now to the question of costs. I am entitled, I think, to assume that it was hoped, through the provisions of Part I of the Act, to raise the price of coal to the consumer. I make no objection to that at all. But what happened in point of fact? In the month of October last year the average cost of production had gone up as a result of those restrictive provisions by 1s. a ton, and the average selling price in October was down by 1s. 1d. a ton. There is a colliery very near to my home in Scotland, a young and efficient colliery, where they have a capacity output of 3,000 tons a day. Their standard tonnage is estimated at 2,000 tons per day. Even with the extra allocation which was accorded to Scotland in the last quarter of 1932, that colliery is given only 77 per cent. of its standard tonnage.

Mr. D. GRAHAM: Will the hon. Member name the colliery?

Sir A. BAILLIE: I will. The colliery is called Polkemmet.

Mr. GRAHAM *rose*——

HON. MEMBERS: Order!

Mr. KIRKWOOD: It depends who is speaking. If we happen to make an interjection we are out of order.

Mr. DEPUTY-SPEAKER (Captain Bourne): The hon. Gentleman has not given way.

Mr. KIRKWOOD: They do not know the Rules of the House.

Sir A. BAILLIE: Perhaps I may proceed, with my hon. Friend's permission. I have named the colliery. I am only desiring to prove that even with 77 per cent. of its standard tonnage it really means that that colliery is limited to the production of 1,540 tons a day when it has a capacity of 3,000 tons. In other words, it is very little over 50 per cent. of its capacity.

Mr. D. GRAHAM: Is it true?

Sir A. BAILLIE: Is it reasonable to ask a new, developing, efficient colliery like that to be restricted to 50 per cent. of the capacity of its production? I am supported by the Chairman of the Reorganisation Committee, Sir Ernest Gowers. Referring to quotas, he says:

> "A quota system which swells the costs by making every mine work below capacity cannot be a lasting remedy.

My personal feeling is that coal for export markets should, as far as possible, not be subjected to the quota. I entirely agree that there must be regulation of the output of coal for the home market, but I suggest that the quota system is not the right way to restrict output. I submit to the Minister that if curtailment is required—and I believe curtailment of production is required—it should be effected, again as hinted at by Sir Ernest Gowers, by the closing down of pits where the costs are uneconomic. That having been done, the pits with low costs should be allowed to produce to capacity. Finally, I believe that it would well repay coalowners in this country to get together and subscribe to a fund for the temporary closing down of pits with uneconomic costs. Whether they were closed permanently or temporarily would be of no real importance. I said "temporarily" because of the possible increase in the demand for coal in the future. I beg of the Secretary for Mines to reconsider the case we are putting before him. I ask him to reconsider it, advisedly, because we have knocked at the door of the Secretary for Mines for many months now. We are entitled, at least, to some form of reconsideration of the case we are putting before the House to-night.

9.45 p.m.

Mr. ROBINSON: I do not rise to Debate the general question but to refer to a matter raised by the hon. Member for Aberdare (Mr. G. Hall), namely, the determination of minimum prices under the Coal Mines Act, 1930. The hon. Member for Linlithgow (Sir A. Baillie) was not impressed by what was said by the hon. Member for Aberdare, but if he will be so kind as to listen to the remarks I have to make on the subject he may perhaps get a better impression of one of the great difficulties of the coal-mining industry. As I see it, the position is this. By Section 3 (2) of the Coal Mines Act, minimum prices are to be fixed in respect of each class of coal produced in a district. There, I think, is a fault, because the executive boards administering the district schemes can fix those minimum prices at whatever levels they wish. It seems to me that very grave difficulty arises here, because unless there is a very great amount of good will between the districts a very complex problem is bound to arise.

Right from the first there was a certain amount of difficulty with the Scottish Board. The Scottish Board failed to prepare any schedule of minimum prices, and there is no doubt that considerable pressure was required from the Central Council before a Scottish minimum price was determined. There has been still more difficulty. The Scottish people had lost a good deal of their export trade, and they looked around to find some other place where they could make up for it. In order to back themselves up in this matter they fixed their minimum prices at a level which had absolutely no relation whatever to the actual values or to the cost of production.

I wish to urge upon the Government and upon the Minister the necessity for providing some scheme whereby minimum prices in the several districts can be co-ordinated, in order to eliminate unfair competition. I will bring to the attention of the House one concrete case to show what can happen. For many years the Lancashire coalfield have supplied the electricity department of the city of Liverpool with its coal. The Lancashire coalfield is, of course, at the very gate of Liverpool and anxious and eager to supply it with the whole of its requirements. Last year, however, the city of Liverpool went to Scotland and bought her coal. She got 200,000 tons of coal for her electricity department from Scotland. Our complaint is that the price which Liverpool paid for that coal was actually less than the minimum price fixed by the Lancashire district. Not only that, but the price paid must have meant a loss of shillings per ton to the coalowners who sold that coal. If you add the cost of the freightage from Scotland to Liverpool, much more loss must have resulted. I am certain that if such a situation had arisen owing to the action of a foreign country and coal or any other commodity had been sold here at a heavy loss like that, every Member of this House would have been up in arms against a flagrant case of dumping.

I want to take this opportunity of considering what this situation means to the city of Liverpool. They saved £20,000. They saved one-fiftieth of a penny per unit on the electricity they sold—a very small amount—and what is important is that it did not save them from any deficit, because the Liverpool Electricity Department has been making money for years, but that they were just seizing this opportunity of making an extra profit at the expense of the Lancashire coal mines. This action of Liverpool meant that the Lancashire district lost £102,000 more in wages last year, 880 miners were put out of work, and 220,000 working days were lost, while the authorities of the Lancashire district had to pay out an extra £50,000 in unemployment pay. I think it is a very short-sighted policy not only from the Scottish point of view but from the point of view of the city of Liverpool.

It seems to me a very significant fact that to-morrow that same City of Liverpool is sending a deputation to this House to the Minister of Health asking that the hinterland of Liverpool, the county districts of Lancashire, should join in trying to find some of the money necessary to maintain the unemployed of Liverpool. It is a very short-sighted policy on the part of the Liverpool Corporation to ruin an industry and to impoverish the people whom they are now asking to support them. I know that they are considering contracting for a further three years' supply from Scotland, and I would ask them very carefully to consider the true position and to realise what their benefit is in the matter. A similar situation has taken place in regard to Southport. Southport has taken 32,000 tons of coal from Scotland, and there has been a corresponding loss of working days in the Lancashire coalfield. Southport depends for 80 per cent. of its income on the very working men in Lancashire whom they are depriving of their jobs. At the present time in Lancashire we are starting efforts to create a better industrial situation and the miners and the coalowners are uniting in a propaganda campaign with the slogan: "Lancashire coal for Lancashire people." Why not "Lancashire coal for Liverpool people?"

Mr. DENVILLE: Will the hon. Member explain to the House whether Liverpool went to Scotland to get her coal, so that she could break the ring of Lancashire coalowners?

Mr. LOGAN: Will the hon. Member explain to the House that Liverpool is controlled by Members of the National party?

Mr. ESSENHIGH: Including the hon. Member for the Scotland Division (Mr. Logan).

Mr. ROBINSON: That campaign of propaganda alone is not enough. The intention of Part I of the Act was to keep up the price of coal so that the industry could be run on a remunerative basis and that revenue might be made to provide decent wages for the men. I would plead with the Government to complete the purpose of the Act by so amending it as to provide means for the co-ordination of prices between the districts and to stop the useless, wasteful, cut-throat competition that is ruining the industry.

9.53 p.m.

Mr. PARKINSON: The hon. Member for Widnes (Mr. Robinson) has brought

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the Debate down to actual realities and has dealt with one of the points with which I propose to deal in the course of my remarks. The Coal Mines Act, Part I, was put into operation in order to overcome difficulties which were then operating in the national field. It was designed to check the evils resulting from unrestrained competition between numerous districts of the coal-mining industry, but we have heard sufficient to-night to realise that there are a large number of different units among the coal-owners who are acting with a view to securing their own individual prosperity. Such competition has always been a source of weakness to the industry and has had the effect of lowering the wages of the workers and weakening the structure of the industry.

We seem to forget the fact that the whole of the power with regard to the allocation is in the hands of the Central Council. We find Members of this House railing against the Government for not increasing their quota or doing something in that direction while, at the same time, the Government have not the power to do it. The power rests with the Central Council to do what they think is right in regard to the question of altering the quota. Since the War, new forces have arisen to cause a decline in the consumption of coal for heating, lighting and power, and markets have been completely reversed. Many countries have increased their own production of coal because they think it is best in the interests of their own countries to do so, instead of importing coal from other countries. I have a quotation here from a speech made by the Chairman of the Coal Mining Association of Great Britain, Mr. Evan Williams, who may be looked upon as one of the biggest figures in the coalowners association. He made a very pessimistic statement at the Central Council on 6th October. He said:

> "We all know that instead of getting better prices than we did when we began to function under this Act, we are really getting lower prices. This is due to the facts that we have placed more coal on the market than there was a demand for, that we have not been able to co-ordinate the regulation of price as between district and district, and that we have not been able to prevent in the districts the evasions of the provisions of the schemes which were designed for maintaining prices at a remunerative level."

A more depressing statement could not possibly be made by a man of the standing of Mr. Evan Williams. It shows the failure of the owners to look beyond individual interests to the well-being of the industry as a whole. It also shows the folly of placing too much coal on the market, and deals with the failure to co-ordinate prices or to remedy the evasions of the Act. The outstanding fact is that the predatory instincts of individual owners, or of districts, is the predominating feature. Are the coalowners not able to rise above individual interests? Are they not able to develop a collective mind? Cannot they look at the industry as a whole? Powers were given to them under the Act to enable them to restore the industry, to enable it to pull through a very difficult period. In contradistinction to the statement of Mr. Evan Williams we have a statement from Mr. Archer, the vice-chairman of the West Yorkshire Coalowners. He says:

> "The majority of coalowners would, I think, regard the repeal of Part I with dismay, and if they do not do so initially they would eventually. The facts prove that the districts which have been really trying to work Part I have benefited, whereas those which have not done so have hurst themselves."

We have heard a great deal about the difficulties which have arisen from the coalowners' point of view and from the exporters' point of view, indeed from almost every point of view. The hon. Member for Consett (Mr. Dickie) told a very dismal story. I do not know whether he was speaking on behalf of his constituents, or whether he was satisfied that the statement sent out by the exporters was meant to be a kind of manifesto for his political extinction at the next general election. I am sure that during the period during which the Coal Mines Act has been in operation we have had a steadier and stronger tendency in the trade than before. We must look at the profits which have been made on the sale of coal during the last few months. I am speaking in support of the retention of Part I. I say that it has been of service to the coal industry and to the country as a whole.

The profit on saleable coal raised in 1931 was 3.2 pence per ton; and it was practically the same for 1932, though, of course, we have only the returns for the first nine months of that year. The tonnage of saleable coal was 241,000,000 tons in 1927 and 213,000,000 tons in 1931. The hon. Member for Consett tried to make out that a lower output of coal was an offence or crime against the nation. If we produced coal during one year at our maximum capacity we could not export the coal or sell it, and we should find what we used to see 25 years ago, huge stacks of coal at every pit bank.

Mr. DICKIE: The hon. Member must surely know that we have this state of things now. There are millions of tons of small coal lying on the ground, unsaleable.

Mr. PARKINSON: It is in a minor degree to what it was 25 years ago. Then, in every colliery in Lancashire you would find huge stacks of coal waiting for the highest bidder. The costs of production in 1931-32 were practically the same as in 1929-30, but they were substantially below the figures for 1927-28. The average selling price for 1931-32 was in keeping with the price for 1929-30, there was practically speaking only a few coppers difference. The output per man in 1932 increased. The production of coal in 1931 was no less than 13,000,000 tons short of the quota allowed, and in the first nine months of 1932 it was 22,000,000 less. That disposes of the question that it is necessary to have a greater quota in order to meet the difficulties of certain exporters. Workmen's wages, including allowances in kind, were practically the same as they were prior to the agreement.

The hon. Member for Consett made one or two insinuations against hon. Members on this side of the House, but I should like him to realise that, no matter what his experience may be of the coal industry, there are people on this side with equal experience, perhaps a greater experience. The Act was passed in 1930 and the allocations were made to districts. These have been varied on several occasions. Let me quote from a report issued by the Secretary for Mines. On page 5 is stated:

> "In fixing total allocations in excess of those in any other quarter when regulation of output was operative, the Central Council doubtless desired to enable the districts to take advantage of any increased demand for coal. Demand continued to decline, however, and output, which fell short of allocation by 10,111,745 tons (15.07 per cent.) was 1,389,115 tons less than in the corresponding quarter of 1931, and 1,818,756 tons less than in the December quarter, 1931."

The deficiency of the output as compared with the quota in the June quarter was 5.56 per cent., and in the September quarter it was 14.03 per cent. It will be understood, therefore, that it is not a question as to the amount of coal which has been brought to the surface. There have been opportunities for these people if they had cared to utilise them. In connection with price regulation and co-ordination between districts there has been one of the glaring misapplications of the spirit of the Act. The hon. Member for Linlithgow (Sir A. Baillie) has been speaking about the position in Scotland. I would like to read a short paragraph from page 9 of the same report:

> "Before Part I of the 1930 Act was passed, and before minimum prices were fixed, Scottish coal never came into Lancashire. Since the Act was passed, however, the Scottish coalowners or Scottish merchants have exploited the position, and large tonnages of coal from Scotland have been sold in parts of the Lancashire coalfield, depriving Lancashire collieries of valuable orders which they have enjoyed for many years. It would appear to be obvious that the minimum prices of the Scottish coal must have been fixed at a ridiculously low figure. The Lancashire owners feel very strongly that there should be amendments to Part I of the Act to enforce inter-district co-operation."

Lancashire during the last year seems to have been the tipping ground for all the cheap coal of Britain. An hon. Member behind me spoke about a campaign that was being launched. I would tell the House that as much coal is coming into Lancashire from other counties and Scotland as would provide work for 4,000 miners in the Lancashire district. Though the Scottish owners may be absorbing more people in their own area, they are encroaching over the border and causing a large number of our people to be unemployed. The hon. Member for Linlithgow on two or three occasions mentioned the name of Sir Ernest Gowers. I am one of those who think that Sir Ernest Gowers would be doing a better service if he was minding his own business, and if he cannot mind his own business he had better resign his position. We know the circumstances of the appointment, but we do not want the ridicule which he is trying to pour on Part I of the Act to be continued. Really, it is unfair for

[Mr. Parkinson.]

such a thing to take place, for a man in his position to publish such statements to the Press or to make them to individuals, and this sort of thing ought to be discontinued.

There will have to be inter-district agreements of a stronger character, and greater morality among the coalowners. It must not be a case of cut-throat competition, but of the widest co-operation possible. The hon. Member for Linlithgow spoke about Scotland being 450,000 tons over the quota during the last quarter of last year. Here are the figures I have: In the first quarter, ended March, 1932, they were 9.25 below the quota in production; in the quarter ended June they were 5.56 below; and in the September quarter they were 10.74 per cent. below the quota granted to them. It is very unfair for anyone to try to lead the House to believe that the Act has undermined the stability of a section of the industry. It has consolidated the industry. It gave to the owners all that they asked for to make their position secure, but they have so little faith in themselves or in each other that they believe they ought to continue a cut-throat competition which will lead them to the end of a very dark career. What is wanted is a better spirit in the industry. The selling side ought to have constant supervision and further reorganisation. Sound schemes for all these problems can be formulated, given the spirit of co-operation and good will among the owners. The only alternative is to drift back to the old bad conditions. The industry needs clear direction, unity of purpose and co-operation for the good of those engaged in it. Failing that, we shall be as we have been before. A return to the old conditions of free competition would be disastrous to the industry and to the country. Let me quote a few words from the League of Nations Report of January, 1932. There it is stated:

> " National organisation is the preliminary and necessary condition of international regulations. In 1929 one of the chief obstacles to this idea was the absence of national organisation, notably in Great Britain, the chief producing country in Europe."

We must either go forward with the reorganisation given under the Mines Act, or we must slide back into the abyss of which I have spoken.

10.14 p.m.

Mr. CURRY: In the few minutes that remain I wish to express a point of view which I think has not been expressed so far in this Debate. I find myself not quite in agreement with either the hon. Member for Consett (Mr. Dickie) or the hon. Member for Aberdare (Mr. G. Hall). The hon. Member for Consett has placed us all under an indebtedness by giving us the opportunity for such a valuable discussion on such an important subject. The facts which he brought out and the views to which he and those supporting the Motion have given expression, cannot be brushed aside as the hon. Member for Aberdare tried to do by the simple statement that the administration of the Act is in the hands of the owners. It is a great surprise to me that in the case of an Act which was passed by the Labour Government we should now be told that the men have no voice in its administration. I think that position ought to be noted, because I am firmly of opinion that we shall never have permanent peace in this industry until we give those employed in it an effective voice in the fixation of quota and prices, if we are to go on fixing them.

The hon. Member for Aberdare said that we must move forward to the coordination of the export and inland areas in the country and try to get them to co-operate—as has been done, I understand, in Germany—but he rather misrepresented the hon. Member for Consett by saying that he wanted to take away some of the advantages which exporters were enjoying. The view expressed by the hon. Member for Consett was that the Act is not an advantage, but a disadvantage to the exporting industry, and the facts which have been brought out in this Debate point to the necessity for a proper Government inquiry into the working of this part of the Act. It was with that in view that I put upon the Paper an Amendment which it has not been possible for us to discuss. Much has been said on the benches opposite about the coalowners, and I detected in one or two speeches a note of cynicism in references to the coalowners. But they are not indulging in these evasions out of choice. When we were debating the Coal Mines Act last summer I called attention to a conversation which I had had with a well-known coalowner in the county of Durham who told me that that week he was writing notices for some hundreds of men, not because he could not sell his coal, but because he would not attempt to sell it underneath the fixed price. All honour to that man. But in that type of man the sense of trusteeship for those whom he employs is highly developed, and it is hard on those men if they have to suffer unemployment because of their employer's high standard of moral integrity.

Mr. LAWSON: Somebody else would get the contract.

Mr. CURRY: Yes, but if we lose from British industry that sense of honour which is the fine gold of commerce, whether we lose it through the operations of this Act or in any other way——

Mr. LAWSON: Somebody in Durham got the order.

Mr. CURRY: Certainly, but as I say if we allow to be undermined that sense of honour which has been the pride of British industry ever since ships sailed to sea—if we once lose that out of British industry, we shall have lost the foundation upon which our Imperial and commercial greatness rests. If there is even a suspicion of such a loss, then it is no answer—and I am surprised that the remark should come from the quarter from which it has come—to say that somebody else got the order. The fact that a man of the calibre of that owner should suffer economic loss because of the faults of this Act is a mandate to this House and is the strongest reinforcement possible for the request that we should have an inquiry into the working of this Act and discover the facts, and then legislate in the full light of knowledge. We should do away for ever with the sort of debate which we have had to-night in which speakers in different quarters of the House and from different parts of the country, have been giving us contradictory statements of their opinions and of the facts. We can only do it by an inquiry.

I would remind the hon. Member for Aberdare that he pointed out at great length the changes in the world conditions which have sprung up since this Act began to operate. An Act which was passed in 1930 may not be applicable to the condition of things existing in 1933. The year 1931 altered a tremendous lot of the relationships between one market and another, and we should not go on, in a great industry like this, continuing an Act simply because somebody passed it or simply because it happens to fit in with a certain political faith, when we have direct evidence that it is lowering the moral standard of our commercial people, bringing unemployment in certain areas, leading to inequalities between one county and another, and generally playing ducks and drakes with an industry which is the very foundation of our commercial and industrial greatness.

10.21 p.m.

Mr. E. BROWN: I am sure the House will agree that the hon. Member for Consett (Mr. Dickie) has raised a live issue and an issue of great interest, not merely to this House, but to the country as a whole. The only regret that the House will have is that the time has been so short that a number of Members who would wish to have made their varying contributions, for they would have been varying, have not had that opportunity. I will do my best to be as brief as I can in covering the ground, so that, if possible, when I have done, there may yet be time for some others to speak, but that I cannot promise; I will do my best. The reason I cannot promise is very obvious. My hon. Friend the Member for Linlithgow (Sir A. Baillie) said he was knocking at the door. It might be very simple if all who knocked at the door of the Minister of Mines at this time wanted the same thing, but he wants one thing, another hon. Member wants another thing, a third wants quite a different thing, and a fourth another yet again. They all knock at the door, and they all want different things; and what makes it more complicated is this, that some of them agree with each other about one thing, or two others may disagree with each other about another thing or another two things.

The result is, as the Debate has shown to-night, that this is a very difficult and complicated question, and, as I say, it is a regret that we have not had longer to consider it. Still, we must be grateful to the hon. Member for Consett for seizing the opportunity and, in his own vigorous way, putting his case. He made a quotation from a speech by me, but I think, if he re-reads it, he will see that he does me an injustice, for in that speech, so far from making the point

[Mr. Brown.]

which he was making, I deliberately stated that I did not make the claim that the quota has anything to do with it. I remember the speech very well. It was the only one of that kind that I made in the course of the discussions upon that Bill, for my objections to that Bill were not objections held by many of my hon. Friends. As a matter of fact, one or two of the objections that I lodged in the course of the Debates on that Bill were sustained, and it is the fact to-day that it is possible to give adequate standard tonnages so that the developing pit can be met, because I proposed an Amendment to the Bill which in substance was accepted and is now part of the Act.

That quotation comes from a discussion two and a-half months after the Act had begun to operate, when there was the initial difficulty affecting every port in the land and, more than that, a particular colliery in South Yorkshire that had a real grievance. The committee of investigation set up to inquire into the change upheld the colliery, and so the Act was found to have the remedy for the objection then raised. If the hon. Member for Consett will re-read the whole speech, instead of looking at one quotation only, he will find that he has done me, of course without any intention, an injustice in that matter. I think, if he will also study the particular speech of the President of the Board of Trade from which he quoted, he will find that it was given in circumstances which are very interesting in view of some of the issues which are now being raised.

Now let me deal with some of the points that have been raised in this Debate. It is true, of course, that we are dealing with the operation of this Act in the present state of the coal industry, and we have to regret that we have seen a contraction in this country. Part of the troubles that we have been discussing to-night do not arise from the structure of the Act at all. They arise from the circumstances in which the Act has to be applied. Most of the Members who have discussed the operation of the quota regulations under the Act have admitted that they do not want to see the abolition of the whole of Part I. It is interesting to notice that the hon. Member for Consett himself is one of those who are inclined to say that there is a case for the regulation of output and price in the inland market.

I will come back to that a little later, but I point that out now because much of the propaganda that is made against the Act is not based on any discrimination in the operation of either the regulation of output or the minimum price. It is based on the idea that all you have to do if you want to bring back health to the coal industry is to wipe the whole of the Act away. I am glad to have noticed in the Debate that that opinion does not seem to be largely adopted. That atmosphere is sometimes created even by speakers who say in the course of creating the atmosphere that they do not want to sweep Part I of the Act away. Hon. Members will have noticed that in the replies to questions which I have made I have continually told the House that every question asked about a difficulty under the operation of this Act has been analysed in my Department. Every letter that has appeared about the Act, for and against it, containing any material facts, has been analysed, and we have tried as far as we can to trace the allegations made to their sources.

It must have been borne upon the Members who have listened to this Debate that allegations are many, opinions are many, but facts are very few. We had one fact in the course of the Debate in the admirable and eloquent speech of my hon. Friend the Member for Linlithgow. It is a fact concerning a particular group of collieries. It is true, as he says, that there was a short allocation in December, 1932, but I would ask him to notice that there have only been two quarters in the whole period of the operation of the Act when there has been anything like a short allocation, and that was in each case the final quarters of the years 1931 and 1932. In the case he quoted, the case of the Lothian Coal Company, notices were issued. I took some personal interest in it, and I saw the owners concerned. The hon. Member knows quite well that 300,000 tons were first allocated, and then an additional 150,000 tons. I took the trouble to follow the thing up in regard to both West Fife and East Fife, and in regard to Lothian, and I found—[*Interruption.*] the particular area was concerned with the operations of the Wemyss Coal Company; that is a case which my hon.

Friend had in mind. He mentioned a case that was in his own area, and I took the trouble to go into the facts. Notices were issued, the propaganda was started, the atmosphere was created, and these are the facts. The number of days worked during the week ending the 10th December in the Whitehill Pit of the Lothian Coal Company were five; for the 17th December, six; and the 24th December, six. In the week in question for which notices had been published, the number was five. For the Polton Pit, in the week ending 10th December, five days; 17th December, six days; 24th December, six days; 31st December, five days. So the notices and the facts do not agree.

With regard to the Newbattle Pit the case is rather different. In the week ending 10th December, five days, one stop day; 17th December, four days; 24th December, six days; 31st December, five days, one stop day. The stoppages came as normal in the first week in January, the New Year Scottish holidays. The practice at this undertaking was to work 11 days a fortnight, six days in one week and five in the other. Apart from the week ending 17th December, when one pit, Newbattle, worked four days, full time, allowing for holidays, had been worked during the period in question. With regard to the export trade, there is not a Member of this House, or a member of the Central Council of Coal Owners, who would put any obstacle in the way of the expansion of the export market or the fulfilment of a single order for export. I am bound to admit that in the course of my inquiries I have had a few cases put before me—cases, not assertions, which I have been able to verify. It so happens that of all the Members of the House I have been most successful in finding them. Two of about 10 were found by me in my own constituency. But when we take these dozen lost orders and compare that figure, which has been proved, with the assertions made in this Debate, the issue is a very different one. My hon. Friend the Member for West Lothian did put his finger on what is a very real difficulty when he referred to the loss of confidence among foreign buyers. There, I am bound to tell the House, he was on firmer ground, for I have got evidence that there is a feeling, whether it be justified or not, in the minds of some foreign buyers that when the negotiations which are now proceeding have come to a successful conclusion, as I trust they will, it may be that they will not be able to get delivery if they place extra orders. Let the House bear that in mind in the discussion of this problem.

The hon. Member for Consett raised the very difficult question of evasions. I would point out to him that there is more than one way of looking at the problem of evasions. There are those who take the view that the way to deal with evasions is to scrap the whole Act. Others take the view that to stop evasions the thing to do is not to have fewer regulations but more regulations. The fact, alas, is a serious one, and the point put by the hon. Member for Bishop Auckland (Mr. Curry) is a serious one, too, because there can be no doubt whatever in the mind of anyone who has examined the question as to what is going on, and in a moment or two I will go so far as to give the House some instances of the methods which are adopted for evading the regulations of the Act. It is having a bad moral effect on the industry, and those responsible, the Central Council of Coal Owners or the Government—if the Government have to take action—may be led to draw very different conclusions from those drawn by people who say that what we have to do is to scrap the Act.

Let me for a minute or two deal with the problem of the foundation of the Act itself. The Act was passed for a very simple reason. I do not understand one or two of the complaints of the hon. Member for Aberdare (Mr. G. Hall) for if there are not representatives of the Miners' Federation on the board the responsibility does not lie here; it lies on the benches opposite. The Bill startled me when I saw it and for many reasons I was strongly against it in its passing. The title of the Bill said:

> "An Act to provide for regulating and facilitating the production, supply and sale of coal by owners of coal mines;"

It is now too late for complaints to be made from the Opposition Benches that there is not a joint body of some kind to operate the Act. The hon. Member for Aberdare will know that it is a perfectly fair point that I am making. Responsibility is with the owners of coal, and there are often reminders of that.

[Mr. Brown.]

The basis of the Coal Mines Act was a production from British mines of about 300,000,000 tons a year. At the moment there is an actual market of 209,000,000 tons a year. Up to the month of November, we feared that it would not actually reach 200,000,000 tons, but the last quarter brought the figure up to 209,000,000 tons. That is the reason why many who objected to some of the provisions of the Act do not find it possible to advocate the abolition of the Act, and do not join in the propaganda put out by some of the organisations that have been circularising hon. Members in the last two or three days.

In dealing with the Act this House has to consider the industry as a whole—and I mean by that the miners who hew the coal and bring it to the surface, the owners who have to dispose of it and the sellers of it, either at home or abroad. More than that, the House has to bear in mind the interests of the community as a whole. I was taught when very young that when coal was sick, Britain was sick. I told some of my Danish friends the other day that when Britain is sick she does not eat bacon. Coal is sickening in this country and we cannot hope to get coal well again if we take our own point of view and try to attribute to certain things in the Act every ill that has come upon coal since the passing of the Act. It is grossly unfair to suggest that the drop in the export of coal has anything to do with the structure of Part I of the Act, excepting perhaps in a very minor degree. The hon. Member for Consett made it quite plain that he did not do that. I am now referring to certain propaganda that has gone very far and very fast in recent days. The charge that the Act is responsible for the reduction of coal exports is not only grossly unfair, but, to anybody who knows the Act, the charge is ridiculous.

What was the purpose of the Act? It was to meet a situation in which the industry does not respond to the ordinary economic test. The ordinary economic test is this: that if you produce coal, and if you can meet the demand of the consumers both in quality and in price, you can get any market in the world. Is there anybody, in this House or outside, who will contend that a mere price-cutting campaign in the export market will win us back any proportion of what we have lost? The facts that have been brought forward to-night will prove the contrary. In the way he spoke of the restrictions in Germany, in France and in Belgium, I do not agree with the hon. Member for Aberdare. Hon. Members are just as unfair to the countries concerned when they say that those restrictions are due solely to tariff measures taken by this Government as are those who say that the drop in the export trade is due to the Act. I do not agree with that. I am not going to say that there may not be an element of truth in it, but I say that anyone who studies the structure of those countries will know that they are themselves coal-producing countries as well as coal-importing countries; and the real reason for the major part of these restrictions has nothing to do with the fiscal system of this country, though it may be that the fiscal system of this country will enable us in the course of our arguments to overcome that difficulty partially.

Sir HERBERT SAMUEL: It may not.

Mr. BROWN: We can only do as our mutual Leader used to say: we can only wait and see; and I should think that the right hon. Gentleman will be quite willing to do that, for I remember him standing in this House, not very far from where he is now, and asserting that, if we went in for a tariff, there would be a rise in the cost of living to the poorest of the poor. I think we can afford to wait and see; but I assert that, when you are dealing with restrictions in Germany, France, Belgium and Spain, you are not dealing with restrictions that have been mainly imposed for fiscal or any other reasons connected with the policy of this country. Those countries are themselves in possession of coal industries that are sick. They are coal-producing countries and they have their own difficulties. We have realised that fact, and for any person outside or inside this House to assert that merely destroying the regulations with regard to price in Part I of the Act of 1930 will win us back those markets is to assert what they will find it very difficult to prove.

Mr. REMER: I think that the hon. Gentleman will also find that there are subsidies in Poland.

Mr. BROWN: I am not unaware of that fact, but let me go a little further. Let me point out that the working experience of the Act has shown many things. It has shown, first of all, that it might have been good if more power had been given to the central board than was given in certain directions. I need not deal with the question of allocation except to quote one set of figures for the purpose of comparison. The allocations as regulated for the last two years have on the whole, with the exception of certain areas in the last quarters of 1931 and 1932, been ample to meet the demand. There has been a margin, at the smallest, of 1,700,000 tons, and, at the largest, of 10,000,000 tons.

I now want to deal with the question of evasion, because this is one of the gravest issues that can be raised, and the one which, I am sure, is exercising the minds of all those concerned with the operation of the Act. Let me, without passing any comments, quote a series of the types of evasion which have come to our notice. These are examples of the evasions of the minimum price provisions that are operated in different districts. I will give the principal and most artful first. They are as follow:

1. The formation of subsidiary companies to which coal is sold at the statutory minimum price, the subsidiary companies in turn selling it at less than the minimum price, their losses being borne by the parent company.

2. Selling coal at prices below the minimum price ruling.

3. Selling more than one kind of coal at a time to one consumer, one kind at the minimum price and the other at a discount.

4. Selling a parcel of coal to a customer the greater part at the minimum price and the balance invoiced at a nominal price of a few pence per ton.

5. The payment of exorbitant remuneration to selling agents whose functions are purely nominal, to sell at prices below the minimum, making good their losses from their remuneration.

6. The purchase of stores from customers at inflated prices.

7. Coke is outside Part I of the 1930 Act. Selling of coal and coke together, the former at a minimum price, the latter at a substantial discount on the current market rate.

There are others. I have put these on record to show to hon. Members concerned that we are not without knowledge, and to show the hon. Member that we do not need an inquiry into the matter. The only inquiry I want to have is one in every case where anyone makes an assertion about a lost order as to where, when and how that order was lost, and I should like to have that whenever the assertion is made, because it would be very helpful in any discussion that may be forthcoming about the defects which it has been admitted in all parts of the House that the Act has.

Mr. SLATER: Legislation would certainly be required to deal with those matters.

Mr. BROWN: The hon. Member will understand that I am not entitled, nor is anyone, to discuss legislation. That is why I put my speech in the form that I put it. Let me tell the hon. Member precisely what we have done. We have consulted all sections of the coal trade. The Mining Association informed the Government that the majority of the coalowners are in favour of the continuance of Part I and that a sub-committee has under consideration those amendments to the scheme which can be effected without fresh legislation which will secure general agreement among the coalowners to the continuance of Part I.

Sir H. SAMUEL: If my hon. Friend is passing away from evasions, can he tell us whether any of those evasions are legal?

Mr. BROWN: Some of them are evasions of the letter and some of the spirit, but it is not as easy under the structure of the Act to stop even illegal evasions as it would appear. It is one of the problems that are now exercising the minds of the Central Council. Let me make the point about the inquiry. The Miners' Federation unanimously recommended that Part I, amended and strengthened in certain directions, should continue. The Coal Merchants' Federation said it would view with regret a decision to allow the Act to lapse. The Coal Exporters' Federation urged that coal for export and bunkers should be free from the operation of the quota and

[Mr. Brown.]

minimum prices. Another body representing wholesale coal merchants recommend that Part I should lapse in December 1, 1932. We have done our best to make inquiries and, more than that, the Central Council has been busily engaged discussing this issue. I think, therefore, there is no need whatever for a new inquiry in the matter.

I should like to say a word or two further about the export trade. As distinct from wild statements made in some propaganda, the Chamber of Shipping have put their view in a very moderate way. They say they are of opinion that the quota and minimum price restrictions of the Coal Mines Act had tended to hamper the export of coal and had contributed to the grave loss of employment in the coal and shipping industries. We have had a lot of figures about exports. It is true that we have lost 4,500,000 tons in 1932 as compared with 1931, but there is another remarkable fact. While in the markets to which the hon. Member referred, the coal-producing coal-consuming markets, we have losses, 1932 saw a gain in quite a number of our other markets. That is a point which, I think, the House should take into account in discussing this matter. For instance, Denmark increased her demand last year over 1931 by 505,000 tons. There were increases from Sweden, Norway, Finland, Latvia and Lithuania—none of them large, but all of them showing the new tendency in the North-West European market, and a very remarkable one.

Mr. D. GRAHAM: And from Russia?

Mr. BROWN: Not from Russia. Russia is one of our competitors in some of the markets in the Mediterranean, and a very serious competitor. That is the answer to some of those who say that by mere price cutting you can get markets all over the world. I think this point is one of instruction, and throws a ray of light on what can be done under the present regulations. There is a small increase in certain South American countries—in Brazil, for instance, and in Cuba. There is a very remarkable increase in Canada of 760,000 tons. The year 1932 is the largest year we have ever had in exports to Canada—1,671,000 tons. When we add these together we find that while there is a loss in the markets to which the hon. Member for Aberdare referred, there is a gain of 2,579,000 tons in these other markets in 1932 over 1931. I am entitled to point out to the right hon. Member for Darwen (Sir H. Samuel) at any rate, that while there has been no agreement in the matter, and it is much too early for me to discuss the details while our customers are still in this country and we are still talking, it is quite obvious that there is a new mind in North Western Europe, and we are getting some fruit from the discussion.

Let me say a word or two on another point before I sit down. It is obvious than hon. Members in all parts of the House are uneasy lest anything should be done to hinder the export of coal. The Central Council of Coalowners have been working since the summer on Amendments to schemes which it is expected will remove, or at least reduce, some of the difficulties which schemes of regulation involve. They have not yet reached conclusions which they can place before the Government, but I wish to emphasise the point made in June by the President of the Board of Trade and my predecessor, that the administration of the schemes must be put right. That has been, in fact, the condition of the continuance of the scheme for five years. In regard to tariff negotiations with foreign countries, assurances have already been given that if there is agreement to take additional quantities of British coal, the necessary supply will be available. If those negotiations result in increased trade for British coal, I think the whole House will agree with me that it is unthinkable that the trade should be hindered through want of flexibility in the machinery of the Act. May I point out, as I did in the course of the short speech I made on the Adjournment in December, that district schemes now have the power to separate inland from export coal as a class of coal. That is now part of the machinery of the Act, and they can do it if they wish.

I would point out that one of the difficulties is that some of those who are most clamant for the removal of the restrictions on the allocation for export are just those who would most violently oppose it if it were done. The real trouble is that the knot is tied when those who have allocations for export desire to use them coastwise in the inland market. That is the crux of the whole problem. That is why it is not as easy to solve the problem as some of our hon. Friends would suggest. It is not because it is not in the power of a district to do it, but for reasons best known to themselves and to those who have studied the structure of the Act, owners in every district have decided not to use that particular machinery.

Lancashire may have bought Scottish coal. The illustration of coal being brought from Ayrshire to Liverpool is a perfect illustration of one of the reasons why it is difficult at times to get an extra allocation for certain districts. It is very difficult to expect the representative of the inland district to vote excess allocation if he thinks that it is not to be used to send abroad, but used in competition with him in his own market at a price which may be—as I believe in this case is the fact—below the local minimum price. If you put powers into the hands of the Council to make separate allocations for inland and export coal it would then be possible to ensure that the requisite amount of coal for export could be available. I hope that the coalowners will come to an early decision on this matter. I can assure the hon. Member interested in this particular side of the subject and the House that unless the Central Council reaches a conclusion in the near future as to steps to be taken to ensure that coal for export is available, it will then be of course a question for the decision of the Government as to whether they will themselves take action in that matter.

Mr. MARTIN: How long is "the near uture"?

Mr. BROWN: Shorter than six months, which I think the hon. Member regards as a reasonable period. In view of what is happening, I should think six months too long. With regard to the Motion and the Amendment on the Order Paper, the House will see from what I have said that I am in sympathy with elements in all of them, but I cannot accept any of them on behalf of the Government. I would, therefore, suggest as the wisest thing after this nteresting and very valuable Debate, in which I regret that so many of the Members who wished to speak have been unable to take part, either the Motion hould be withdrawn or we should exercise the two minutes left for another Member to see his way to talk out the Motion.

10.58 p.m.

Mr. MILNE: I venture to intervene in the Debate because I represent the mining constituency of West Fife which is the centre of all the trouble and has suffered more than any other district. I think I heard an hon. Member ask, "Where is West Fife?" I can tell him. West Fife is the principal exporting county in Scotland. There are collieries there mainly concerned with the export trade. They are the best equipped in the country, and the management is second to none. In spite of the facts to which I have referred, at the end of the year hundreds of men were thrown idle, not through lack of work, but as a result of the operation of an Act of Parliament. I address the House upon a mining topic with very real diffidence, because I feel that I am addressing Members, many of whom are equipped with a knowledge which I do not possess, but which I envy and respect. On the other hand, I have the advantage that I am entirely free from any prepossessions. When I entered Parliament I found the Coal Mines Act upon the Statute Book and I regard it neither with favour nor illwill. Amidst all the welter——

It being Eleven of the Clock, the Debate stood adjourned.

The Orders of the Day were read, and postponed.

IMPORT DUTIES ACT.

Motion made, and Question proposed, "That this House do now adjourn."—[*Sir F. Thomson.*]

11.2 p.m.

Sir B. PETO: I put a question to-day to the President of the Board of Trade, on which I wish to say a few words. It will be for the convenience of hon. Members if I first read the question, and the answer I received, which made me give notice that I would raise the matter on the Adjournment. I asked the President of the Board of Trade:

"whether he can give any date by which an order may be expected, in accordance

[Sir B. Peto.]

with the recommendations of the Import Duties Advisory Committee, on the application of the fabric glove industry; whether the commercial negotiations with foreign countries, which are delaying the decision, relate to the glove industry or other industries; and whether, in view of the depression in the fabric glove industry in this country, due to the dumping of surplus foreign produce at prices below cost of production, he will arrive at a decision at the earlist possible moment."

The reply that I received was as follows:

"I cannot give a date by which a decision will be reached on the Committee's recommendations, but the hon. Member may rest assured that there will be no unnecessary delay. As regards the second part of the question, it would not be expedient to make detailed announcements as to the scope of negotiations which are in progress."

I do not desire, indeed it would be out of order, to go into any question as to why the Import Duties Advisory Committee have made a recommendation to the Treasury, or the nature of that recommendation or the evidence that produced that recommendation. What I am concerned with is the position of this House in relation to this new method of procedure in dealing with tariff questions. The only information that has been vouchsafed was a communique which appeared in the Press, in a few lines, on the 23rd February. I will read it. I am quoting from the "Times." It is headed:

"DECISIONS DELAYED.

"The Treasury state that they have also received from the Import Duties Advisory Committee recommendations relating to Customs duties on the following commodities:

Yeast,
Pottery and clay products,
Baskets,
Fabric Gloves,

but that in the present stage of the commercial negotiations and discussions which are in progress with various foreign countries they have deferred a decision whether or not to make Orders in pursuance of these recommendations."

It is necessary for my purpose to show that this question of duties upon fabric gloves is not a question of a new duty. There has been a history of duties in relation to that particular industry. They have had varying duties, sometimes on and sometimes off, for 15 years. In 1918 they came under the Safeguarding Duties Act, which operated against imports from enemy countries, mostly imports from Germany, as these imports practically are all made in Saxony. There has been more general legislation since. There was a duty of 33⅓ per cent. for five years, but when the Labour Government came into office for the first time, that duty was allowed to lapse in 1923. It was reimposed two years later, in 1925, and continued for a further five years when it lapsed again under the Labour Government in 1930. Then we come to the present Government. They began with no duty at all. Just before Christmas 1931 we had the Abnormal Importation Duties Act, which imposed a duty of 50 per cent. In April that was changed to a duty of 20 per cent. There have been several applications since. We now learn that a recommendation has been made, and obviously it must be for an increase in the duty. I want to point out in the first place that this is no new duty. The industry has had a duty and has been without a duty, and under the present Government there has been a Duty of 50 per cent., and one of 20 per cent. Therefore I ask hon. Members to consider the position of this House in regard to the Import Duties Advisory Committee and the Government. The Committee is inacessible to hon. Members. When we go to the Department we are told that the duty of the Advisory Committee is to advise the Government, and that no Government Department exercises any control over them. Now we know that when they come to a decision it may be delayed for weeks and months while negotiations go on with foreign countries dealing perhaps with industries which had no relation whatever to the industry which has been the subject of the recommendation.

I want to know when this recommendation was made. Was it this year; since Christmas? I was under the impression the other day that the Board of Trade were waiting for the recommendation of the Advisory Committee. I want to know why workpeople should be thrown out of work, as in this case, and why this industry should be sacrificed in the supposed interests of other workpeople? Is it a question of the greatest goods to the greatest number. The fabric glove industry is practically destroyed in this country. Only one or two little factories are operating at all, and only a minute fraction of those employed a few years ago are now in employment.

It is only in one special line, fabric gloves made from artificial silk that any business at all is done. This industry had protection under the Abnormal Importation Duties Act, because there was an abnormal flood of dumped goods into this country. The position in January was worse than it was 12 or 13 months ago. In January, 107,000 dozen fabric gloves were imported from abroad, and in one case an order has been placed by a firm of wholesale glove buyers in London for the purchase of 24,000 dozen simplex cotton gloves in a single line which had been bought by a firm in America. They were sent to this country because there was no demand for them in New York, and were sold at 7s. 6d. per dozen pairs, which is about half the price of the cost of production in Saxony and about one-third of what they would cost to produce in this country.

There is every evidence, therefore, that as far as the abnormal importation of dumped goods is concerned, the position is worse now than when there was a 50 per cent. duty. The condition of the industry is deplorable. The industry is practically wiped out. There were considerations that related to Lancashire yarn. Now, far from Lancashire yarn being used in the production of these Saxony fabric gloves, the yarn that is being used in Germany is almost exclusively German-spun cotton yarn, which is very much cheaper than anything which could be imported from Lancashire.

I want to know when this recommendation was made, and with what country these negotiations are taking place. If the Minister cannot tell us that, let him tell us whether the negotiations relate to any industry connected with glove-making. The industry in this country lately employed 1,000 hands, at another time 2,000 hands, and if we made here all the fabric gloves that we use it would employ 6,000 hands. Is the Minister sure that in keeping us waiting until the industry is finally destroyed, for some hypothetical advantage we shall get for some other industry, he is not grasping at the shadow and dropping the bone?

1.12 p.m.

Mr. HALES: I want to put before the House the very desperate condition of the pottery industry of North Staffordshire. To a large extent the pottery industry is affected similarly to the glove industry, inasmuch as the Abnormal Import Duties Act resulted in a duty of 50 per cent. From that moment a new era of prosperity dawned on the district. Factories were employed on full time, more hands were engaged and machinery was ordered for the increase of business which rapidly came in. Then, to the consternation of the district, the Advisory Committee was appointed. It adopted a course which to every business mind seemed amazing. Instead of allowing the existing duties to remain until they had had an opportunity of going into matters in detail, and seeing whether the duties were ample or insufficient, they adopted the course of making a 20 per cent. datum line, raising the duty by 10 per cent. up to 20 per cent., and reducing the 50 per cent. to that 20 per cent. level.

The results were disastrous. Immediately the new duties came into force many orders from the Continent and home buyers were cancelled, and to-day in Staffordshire you can see thousands and thousands of tea sets lying unsaleable in the warehouses.

I am very pleased indeed to find that there is some possibility of the duties being enhanced. After 10 months of weary waiting, during which time the whole district has been on tenter hooks, not knowing what was to happen, we find that after a recommendation has been made which means the enhancement of the existing duties, we are told that for some mysterious reason of international bargaining the duties are not to be divulged, and we are still in uncertainty. I demand on behalf of the potters and manufacturers in North Staffordshire that we should not be victimised, that this industry should not be made a counter in some bargaining business abroad and brought to the verge of ruin. The situation is desperate, and I hope that the Government will see the importance, at this time, when everybody is asking for more employment, of not taking away the livelihood of these people, who have been waiting for 10 long months for the restoration of their prosperity. I hope the Government will at once carry out what the committee have advised.

11.16 p.m.

Mr. HOLDSWORTH: To those of us who never believed in tariffs as a bargaining power, some of the statements made during the last two or three weeks by different Ministers have been very interesting. Only a week ago, the Chancellor of the Exchequer referred to the use of tariffs as a bargaining weapon. This afternoon, the Lord President of the Council made the point that, if the world was to recover, there must be a lowering of tariff barriers. The Prime Minister last week said that at the World Economic Conference the opportunity would be taken of pressing home the necessity for lowering tariff barriers, and that our tariff would be used to that end. Members of the Conservative party have told us repeatedly that the purpose of placing tariffs on the Statute Book was that they should be used to bring in Free Trade throughout the world. We desire to impress that point of view on the Minister to-night. All these questions that are being raised show how little sincerity there is in many of the statements about the use of tariffs as a bargaining weapon. But I assure the Minister that so long as tariffs are used, in order to restore world trade, we shall give them every support in our power. We would like the Minister to-night to reassure us that the statements of the Prime Minister, the Chancellor of the Exchequer and the Lord President of the Council can be accepted as positive proof of the intention of the Government to use tariffs and promote freedom of trade among all the nations of the world.

11.19 p.m.

Sir FRANK SANDERSON: It was not my intention to take part in this Debate but the point raised by the hon. Member for Barnstaple (Sir B. Peto) is so important that I would like to mention the case of the duty upon linseed in this connection. A few weeks ago I raised the question of the import duty upon linseed and the seriousness of its effects. I pointed out that the result would be that we should be inundated with linseed oil from abroad and what I then intimated has proved correct. During December and January no less than 5,000 tons of linseed oil——

Sir B. PETO: May I make an appeal to my hon. Friend? The point that I raised has nothing to do with the question of linseed oil and it is unfair when a question has been raised on the Adjournment that the Minister should not be given time to reply.

Sir F. SANDERSON: I was under the impression that my hon. Friend's point was in regard to delay both by the Treasury and by the Advisory Committee in coming to a decision in regard to import duties. If I am wrong, I will give way.

11.20 p.m.

Lieut.-Colonel COLVILLE (Secretary, Overseas Trade Department): I am glad the hon. Baronet the Member for Barnstaple (Sir B. Peto) has raised this question, because it gives me an apportunity of dealing with a point of importance, which refers not only to fabric gloves, but to the general position of industry in this country, in relation to reports from the Import Duties Advisory Committee and commercial negotiations. The word "hypothetical" has been used to-night, but I can assure hon. Members that there is no question of jeopardising industries in this country in order to obtain hypothetical benefits. It is recognised that we are in this country, and have been for many years, the greatest individual market in the world for foreign goods, and that we are entitled to use our bargaining power, and the argument it has given us, in our discussions with other nations; in other words, that the British tariff is not only for the purpose of giving stability and strength to our industries internally, but that we should be neglecting our duty if we did not make use of it also, as far as we can, in order to obtain better opportunities for the United Kingdom export trade.

The position is that the Import Duties Advisory Committee make reports based upon their views as to the need of industries in this country for Protection, in order to enable them to compete in the home market. That is the function of the Advisory Committee, which they carry out independently, as hon. Members know, and they make their report. It is not their function to consider the repercussions which their recommendations may have on negotiations which may be in progress, or immediately pending, with foreign countries, but His Majesty's Government must clearly retain the right to take into account these wider questions when they decide whether or not to publish or to put into force the recommendations of the Advisory Committee. Let me explain the reason for that. Publication of a negative report, a report saying there was to be a decrease of duty, at a particular juncture might very well weaken our hands in negotiation, while equally action on a positive report, to increase a duty, at a particular juncture might have an effect on urrent negotiations which would damage British trade generally out of all proportion to the value of the duty to the particular trade concerned. That is a consideration which His Majesty's Government must have before them in dealing with the question.

My hon. Friend raised, very properly, he point, Who takes this responsibility, hen the Import Duties Committee have made their report to the Treasury, of that report not being mmediately acted upon? I answer that y saying that the Government take that esponsibility. They must do so, and hey must do it with the knowledge, which only they have, of the reactions which this would have on trade as a whole. Therefore, we do not in any way eek to shirk the responsibility of delay- g, in a particular case, the action commended by the Committee, or of elaying publication of their report. I as asked the specific question, which I ink I can answer, in relation to fabric oves, When did the Treasury receive e report from the Advisory Committee? find that in that case the report was ceived on 26th January. It was blished in the Press later after con- deration by the Government, and there s a delay.

Mr. HALES: Can the hon. and gallant ntleman say anything about pottery?

Lieut.-Colonel COLVILLE: I cannot swer that without notice. In the case fabric gloves I ascertained the position cause it was on that particular matter at the hon. Baronet gave notice. It is vious it is not possible to debate in House the reasons which may have en in the minds of the Government in ing a decision on any particular kind goods, for these reasons. Hon. Mem- s who have been engaged in any negotiations of any kind will realise that to disclose information might very well be an embarrassment to them, and, of course, anything that I shall say to-night would have very wide publicity. Therefore I will ask my hon. Friend not to press his point as to the particular countries to which this has relation. The trades which he and the hon. Member for Hanley (Mr. Hales) have raised are very closely before the Government. In determining what action they will take, they are having full regard to the variations in duty in those trades. My hon. Friend the Member for Barnstaple has outlined, in the case of fabric gloves, the ups and downs of the movements in regard to duties over a long period of years, but we are well aware of that, and we have fully in mind the desire of the fabric glove industry to know what future is in front of them. I can assure the hon. Baronet that we have that fully in mind. I would also add that I hope that an early decision will be possible on this matter.

My hon. Friend the Member for Hanley also raised the question, in relation to pottery, of the variation of duty. I would make it plain that the abnormal import duties which were applied at the rate of 50 per cent. were for a specific purpose. They were applied to prevent forestalling while the tariff was being more carefully developed. Therefore, it was made plain at the time that it was not intended that it should be a continuing rate of duty, and the machinery which was set up in the form of the Import Duties Advisory Committee was for the purpose—and I think hon. Members will agree that it was wisely set up—of having an independent committee to examine all the aspects of the questions put in front of them. At this stage I can say no more except to assure the House of two things. One is that there will be no question of jeopardising British industries for the sake of hypothetical advantages. We shall make certain in any negotiations in which we are engaged that there must be real and definite advantages before any concessions can be given. But we shall also have in mind the value of the industries spoken of to-night from the point of view of employment. Lastly, I would like to say that from the time the Import Duties Advisory Committee makes its report His Majesty's Govern-

[Lieut.-Colonel Colville.]
ment assumes full responsibility for action in regard to that report, both as to publication or the Order which is made as regards increase of duties.

Sir B. PETO: May I know whether these negotiations relate to industries which have any connection with the fabric glove industry or are totally different industries?

Lieut.-Colonel COLVILLE: I have answered that in a phrase which quite purposely was a little vague and that was "the repercussions of the result of action on the recommendation." I ask my hon. Friend not to press me beyond that point. There are negotiations going on over a fairly wide range of goods, and the repercussions spoken of may not be taken to mean that a particular industry is being negotiated with, but it may be that the country with which we are dealing has a special interest in a trade, and that repercussions would have an effect. I hope my hon. Friend will not press me further.

Question put, and agreed to.

Adjourned accordingly at Twenty-nine Minutes after Eleven o'Clock.

HOUSE OF COMMONS.

Thursday, 2nd March, 1933.

The House met at a Quarter before Three of the Clock, MR. SPEAKER *in the Chair.*

PRIVATE BUSINESS.

Private Bills (Standing Orders not previously inquired into complied with),

Mr. SPEAKER laid upon the Table Report from one of the Examiners of Petitions for Private Bills, That in the case of the following Bill, referred on the Second Reading thereof, the Standing Orders not previously inquired into, which are applicable thereto, have been complied with, namely:

London Midland and Scottish Railway Bill.

Bill committed.

Ministry of Health Provisional Order (Chester and Lancaster) Bill,

Ministry of Health Provisional Order (Eton Joint Hospital District) Bill,

As amended, considered; to be read the Third time To-morrow.

ORAL ANSWERS TO QUESTIONS.

UNEMPLOYMENT.

PUBLIC ASSISTANCE COMMISSIONERS.

1. **Captain CROOKSHANK** asked the Minister of Labour what payments have een made from national funds towards he salaries, allowances and expenses of he various commissioners who have relaced public assistance committees; and nder what statutory authority such ayments have been made?

The MINISTER of LABOUR (Sir Henry Betterton): The payments made ut of moneys provided by Parliament p to 31st January, 1933, in respect of he remuneration and expenses of the ommissioners who have been appointed o replace public assistance committees or the purpose of determining the needs f applicants for transitional payments amounted to approximately £10,000. This sum includes the cost of the investigating staff and other staff employed by the Commissioners. The payments are made under the authority of Article 7 of the Unemployment Insurance (National Economy) (No. 2) Order, 1931.

Captain CROOKSHANK: Is my right hon. Friend satisfied that that authority is good in law, because the Orders in Council had to be passed within a month in order to deal with existing, not future, circumstances?

Sir H. BETTERTON: Yes, I have satisfied myself that I was acting within my legal rights.

36. **Mr. T. WILLIAMS** asked the Minister of Labour the name of the Commissioner appointed to administer transitional payments in Rotherham, and the amount of his salary?

Sir H. BETTERTON: The Commissioner for Transitional Payments is Mr. A. W. Basham, O.B.E. With regard to the second part of the question, I would refer the hon. Member to the reply given to the hon. Member for Plaistow (Mr. Thorne) on the 25th October, 1932.

Mr. McGOVERN: Has there been any reduction in the figures of unemployed in the horticultural industry in the last 24 hours?

DEWSBURY, NEWCASTLE-ON-TYNE, AND GATESHEAD.

4, 5 and 6. **Mr. LAWSON** asked the Minister of Labour (1) the number of unemployed on the register for Dewsbury on 25th January, 1932, and 25th January, 1933;

(2) the number of unemployed on the register for Newcastle for 25th January, 1932, and 25th January, 1933, respectively;

(3) the number of unemployed on the register for Gateshead on 25th January, 1932, and 25th January, 1933?

Sir H. BETTERTON: As the reply includes a table of figures, I will, if I may, circulate a statement in the OFFICIAL REPORT.

Mr. LAWSON: Why is the right hon. Gentleman taking that course, when he can give details to other Members of the House?

Sir H. BETTERTON: Because the hon. Member asks substantially the same question for the three different cases, but I will certainly give the information at once. The places he asks about are Dewsbury, Newcastle-on-Tyne, and Gateshead. In Dewsbury, on 25th January, 1932, there were 4,269 on the registers, and on the 23rd January, 1933, there were 5,359; in Newcastle-on-Tyne on the 25th January, 1932, there were 33,257, and on the 23rd January, 1933, 35,322; and in Gateshead on the 25th January, 1932, there were 13,698, and on the 23rd January, 1933, 14,378.

Mr. HERBERT WILLIAMS: Will my right hon. Friend say whether these figures are contained in the monthly index which his Department prepares, and whether a copy of that index is now in the Library, and in these circumstances whether it is necessary for these questions to be put on the Order Paper?

Mr. LAWSON: Is it not a fact that the same observation applies to all the questions asked previously?

Mr. T. WILLIAMS: Is it not the case that in the last Government Members opposite asked about 25 questions periodically of the Ministry of Labour?

Mr. KIRKWOOD: With regard to the reply concerning Newcastle, Gateshead, and Dewsbury, how do those figures compare with the figures for the West of Scotland?

Woollen and Worsted Textile Industry.

9. **Mr. HOLDSWORTH** asked the Minister of Labour the total number of persons employed in the woollen and worsted textile industry on the following dates: 1st July, 1914, 1st July, 1931, 1st July, 1932, and the latest date for which figures are available?

Sir H. BETTERTON: As the reply includes a table of figures, I will, if I may, circulate a statement in the Official Report.

Following is the statement:

Comparable Statistics of the numbers of insured persons in the various industries are not available for any year prior to 1923. The following table gives figures in respect of the woollen and worsted industry in Great Britain for the end of June in the years 1923, 1931 and 1932, the last-mentioned being the latest date for which they are available.

	Aged 16 years and over.	Aged 16 and under 65.	
—	25th June, 1923.	22nd June, 1931.	27th June, 1932.
1. Estimated numbers insured ...	268,230	237,750	232,580
2. Insured persons recorded as unemployed.	18,488	78,581	62,910
Difference between 1 and 2 ...	249,742	159,169	169,670

Exchange Procedure.

10. **Mr. SMEDLEY CROOKE** asked the Minister of Labour if he will take steps in the new Bill to alter the regulations governing the green card and remove the existing handicap to the unemployed man who takes the trouble to find work for himself and reports it to the Employment Exchange, who then may give the work to someone else?

Sir H. BETTERTON: This matter was raised by several Members last Session, and in consequence a Memorandum was issued explaining the procedure. I believe this procedure is satisfactory, but I should like my hon. Friend to look at the Memorandum, of which I am sending him a copy. He will see from it that a man who finds a job for himself does not require a "green card" except for certain relief works to which special conditions apply, and that such difficulties as have arisen have been usually due to foremen promising jobs on relief work to men who were not eligible.

Mr. CROOKE: Is it not the case that a man seeks and gets a job and is told to obtain a green card from the Employment Exchange, and, when he gets there they say: "This job is going, but we must give it to someone else, not to you"?

Sir H. BETTERTON: I do not think that accurately represents the present situation, but in any case this Memorandum, which I drew up largely in consequence of the facts which are mentioned in the question, meets the point the hon. Member has in mind.

Mr. CROOKE: If it does not meet the point, will my right hon. Friend receive a deputation of Members of this House regarding this matter?

Sir H. BETTERTON: I am always ready to receive deputations of Members of the House.

Mr. GRAHAM WHITE: Is it not the case that the difficulty arises largely owing to the fact that many foremen adopt the procedure of telling men to go away and get green cards in order to get rid of them?

Sir H. BETTERTON: The hon. Gentleman has just stated what is the real difficulty in the matter. I think that is quite true.

TRANSITIONAL PAYMENTS.

14. **Mr. SMEDLEY CROOKE** asked the Minister of Labour how many cases of transitional payments have been dealt with by the public assistance committee in the city of Birmingham since 1st December, 1932; in how many cases have full benefits been allowed; in how many cases partial benefit; and how many applicants have failed to sustain any claim?

Sir H. BETTERTON: As the reply includes a table of figures I will, if I may, circulate a statement in the OFFICIAL REPORT.

Following is the statement:

Determinations by the Public Assistance Committee for the county borough of Birmingham on applications for transitional payments between 5th December, 1932, and 4th February, 1933.

—	Initial applications.	Renewals and Revisions.	Total.
Payment allowed at maximum benefit rates ...	1,285	9 753	11,038
Payment allowed at lower rates	1,371	11,553	12,924
Needs of applicants held not to justify payment.	1,214	1,204	2,418
Total number of applications	3,870	22,510	26,380

23. **Mr. PARKINSON** asked the Minister f Labour how many cases of transitional ayments have been dealt with by the ublic assistance committee in the Wigan mployment area since January, 1932, up o the latest available date; in how any cases have full benefits been llowed; in how many cases partial benefits; and how many cases have been refused any benefits?

Sir H. BETTERTON: As the reply includes a table of figures I will, if I may, circulate a statement in the OFFICIAL REPORT.

Following is the statement:

eterminations by the Public Assistance Committee for the County Borough of Wigan on applications for Transitional Payments between 25th January, 1932, and 4th February, 1933.

—	Initial Applications.	Renewals and Revisions.	Total.
ayment allowed at maximum benefit rates ...	2,352	23,483	25,835
ayment allowed at lower rates	1,056	10,102	11,158
eeds of applicants held not to justify payment	525	430	955
Total number of applications	3,933	34,015	37,948

24. **Dr. JOHN WILLIAMS** asked the inister of Labour the number of claims r transitional benefit in the Wales division, and the number of determinations granting full benefit, reduced benefit and no benefit, respectively?

Sir H. BETTERTON: As the reply includes a table of figures I will, if I may, circulate a statement in the Official Report.

Following is the statement:

The total number of applications for transitional payments dealt with by Public Assistance Authorities in the Wales Division between 12th November, 1931, and 7th January, 1933, was 1,139,404, of which 212,908 were initial applications. The determinations given on these applications were as follows:

Period.	Allowed at maximum benefit rates.	Allowed at lower rates.	Needs of applicants held not to justify payment.	Totals.
12th November, 1931 to 23rd January, 1932.*	148,867	29,509	7,551	185,927
25th January, 1932 to 7th January, 1933:				
Initial applications... ...	80,510	17,029	4,391	101,930
Renewals and revisions ...	708,351	135,038	8,158	851,547

* The figures for this period include renewals and revisions as well as initial applications. Separate figures for initial applications are not available.

25. **Dr. J. WILLIAMS** asked the Minister of Labour the number of claimants for transitional benefit in Carmarthenshire from November, 1931, to the latest available date; and the number of men who have been awarded full benefits, reduced benefits and no benefits, respectively?

Sir H. BETTERTON: As the reply includes a table of figures I will, if I may, circulate a statement in the Official Report.

Following is the statement:

The total number of applications for transitional payments dealt with by the Carmarthenshire Public Assistance Authority between 12th November, 1931, and 7th January, 1933, was 46,231, of which 9,997 were initial applications. The determinations by that Committee on the applications made by men during the period were as follows:

—	Allowed at maximum benefit rates.	Allowed at lower rates.	Needs of applicants held not to justify payment.	Total.
12th November, 1931* to 23rd January, 1932.	5,477	1,362	696	7,535
25th January, 1932 to 7th January, 1933:				
Initial applications... ...	4,568	297	208	5,073
Renewals and revisions ...	28,481	3,210	677	32,368

* The figures for this period include renewals and revisions as well as initial applications. Separate figures for initial applications are not available.

Mr. H. WILLIAMS: On a point of Order. As there are about 15 questions on the Order Paper the answers to which have been in the Library for several weeks, is it in order that these questions should be put?

Mr. LAWSON: May I draw your attention to the fact that questions have been constantly put on the Paper by Members behind the Government concerning areas which suited them and that they have been answered in their favour. On investigation, it will probably be found that the hon. Member for South Croydon (Mr. H. Williams) is the instigator of those questions.

37. **Mr. BATEY** asked the Minister of Labour whether he will advise the com-

missioners appointed to administer transitional payment that an aggrieved applicant should be granted a personal interview if he so desires; and whether he will take legislative steps to provide a right of appeal from the commissioners?

Sir H. BETTERTON: With regard to the first part of the question, I would refer the hon. Member to the reply given to him on the 23rd February. With regard to the second part, I have noted the hon. Member's suggestion.

Mr. BATEY: Are we to understand that the Minister will not even advise the commissioners to see an applicant if he wants to see them?

Sir H. BETTERTON: The hon. Member must not understand anything of the kind. I made it quite clear, in answer to a question which the hon. Member asked me the other day, that anybody who is aggrieved can see the local officer, and, if he is not satisfied, he can see the commissioner.

Mr. GODFREY NICHOLSON: Is the right hon. Gentleman clear that all applicants realise that they have these rights?

Sir H. BETTERTON: It is not my fault if they do not, and I hope that the fullest publicity will be given to this answer.

BRADFORD.

15. **Mr. T. WILLIAMS** asked the Minister of Labour how many persons were registered as unemployed at Bradford on 20th January, 1932, and 23rd January, 1933; and the number of unemployed who no longer sign on at the Exchange?

Sir H. BETTERTON: At 25th January, 1932, the number of unemployed persons on the register of the Bradford Employment Exchange was 20,395, as compared with 22,484 at 23rd January, 1933. I have no information as to the number of unemployed persons not registered.

Mr. WILLIAMS: Does the right hon. Gentleman agree that the textile industry is not working overtime at Bradford, as has been suggested?

ESTIMATES.

16. **Mr. LEVY** asked the Minister of Labour what is the estimate of unemployment on which is based the estimate of the cost of his Department for 1933-34?

Sir H. BETTERTON: The provision asked for will be sufficient for the volume of unemployment equivalent roughly to that experienced last year. That is not to be regarded as an estimate of future unemployment—which, in fact, I hope will be lower—but merely as the provision which in the unavoidable uncertainty of the present outlook it is prudent to make.

Mr. LEVY: Can my right hon. Friend say on what change in the unemployment insurance system his estimate of cost was based?

Sir H. BETTERTON: I am not sure that I understand the supplementary question. The question on the Paper asked what is the estimate of unemployment on which is based the estimated cost of my Department for 1933-4, and I have told my hon. Friend that it is based on a volume of unemployment equivalent, roughly, to that experienced last year.

Mr. LEVY: Is the anticipated change going to take place during this present year, and is my right hon. Friend taking that into consideration when answering this question?

Mr. LAWSON: Can the right hon. Gentleman give a guarantee that the answer is not based upon a new system which is going to cut down the number of recipients of benefit?

IRISH WORKERS, ROMFORD.

17. **Mr. HUTCHISON** asked the Minister of Labour whether he is aware that Free State Irishmen not permanently resident in this country have been found employment at Employment Exchanges in the Romford area since the beginning of this year; and whether he will take steps to stop Exchanges finding work for such men in preference to British applicants on account of the low wages they will accept?

Sir H. BETTERTON: The men who have found employment through this Exchange include a small number of Irishmen who, I understand, were already resident in the area. There is not, so far as I am aware, any ground

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for suggesting that the rate of wages had anything to do with their engagement.

BARNSLEY.

18. **Mr. PRICE** asked the Minister of Labour how many persons were registered as unemployed at Barnsley on 20th January, 1932, and 23rd January, 1933; and the number of unemployed who no longer sign on at the Exchange?

Sir H. BETTERTON: The number of unemployed persons on the registers of the Barnsley Employment Exchange and Juvenile Employment Bureau was 8,629 at 25th January, 1932, and 9,544 at 23rd January, 1933. I have no information as to the number of unemployed persons not registered at Employment Exchanges.

CHESTER-LE-STREET.

19. **Mr. DENVILLE** asked the Minister of Labour the number of unemployed on the register of Chester-le-Street on 25th January, 1932, and 25th January, 1933?

Sir H. BETTERTON: The number of unemployed persons on the registers of the Chester-le-Street Employment Exchange and Juvenile Employment Bureau was 2,517 at 25th January, 1932, and 3,471 at 23rd January, 1933.

WOOLWICH.

20. **Mr. HICKS** asked the Minister of Labour the numbers of men, women, boys, and girls registered as unemployed at the Woolwich Employment Exchange on the latest convenient date in 1933 and for the same period in 1932, giving separate figures for the various trades or occupations?

Sir H. BETTERTON: As the reply includes tables of figures, I will, if I may, circulate a statement in the OFFICIAL REPORT.

Following is the statement:

Unemployed Persons (Insured and Uninsured) on the Registers of the Woolwich Employment Exchange.

Date.	Men.	Boys.	Women.	Girls.	Total.
25th January, 1932	5,869	250	1,411	211	7,741
23rd January, 1933	5,721	245	1,045	259	7,270

Insured Persons recorded as Unemployed in the principal industry classifications at the Woolwich Employment Exchange.

Industry.	Men.	Boys.	Women.	Girls.	Total.
25th January, 1932.					
Building	1,203	22	2	—	1,227
Electrical Cable, Apparatus, Lamps, etc.	612	10	391	45	1,058
Distributive Trades	485	34	289	36	844
General Engineering	587	—	19	—	606
Shipping Service	376	7	15	—	398
Hotel, Boarding House, etc. Service ...	123	4	186	5	318
23rd January, 1933.					
Building	1,015	9	—	—	1,024
Electrical Cable, Apparatus, Lamps, etc.	680	29	325	43	1,077
Distributive Trades	495	43	157	37	732
General Engineering	605	5	12	3	625
Shipping Service	307	2	—	—	309
Hotel, Boarding House, etc. Service ...	114	1	110	7	232

BRIXTON.

21. **Mr. HICKS** asked the Minister of Labour the numbers of men, women, boys, and girls registered as unemployed at the Brixton Employment Exchange on the latest convenient date in 1933 and for the same period in 1932, giving separate figures for the various trades or occupations?

Sir H. BETTERTON: As the reply includes tables of figures I will, if I may, circulate a statement in the OFFICIAL REPORT.

Following is the statement:

Unemployed Persons (Insured and Uninsured) on the Registers of the Brixton Employment Exchange.

Date.	Men.	Boys.	Women.	Girls.	Total.
25th January, 1932	6,807	252	2,191	156	9,406
23rd January, 1933	6,930	183	2,019	140	9,272

Insured Persons recorded as Unemployed in the principal industry classifications at the Brixton Employment Exchange.

Industry.	Men.	Boys.	Women.	Girls.	Total.
25th January, 1932.					
Distributive Trades	1,429	77	753	50	2,309
Building	1,774	8	11	—	1,793
Hotel, Boarding House, etc., Service...	503	11	596	11	1,121
Printing, Publishing and Bookbinding	224	12	163	2	401
Road Transport (other than tramway and omnibus services).	247	4	12	1	264
General Engineering	222	7	19	1	249
23rd January, 1933.					
istributive Trades	1,509	49	533	44	2,135
uilding	1.819	7	9	—	1,835
Hotel, Boarding House, etc., Service...	501	9	426	12	948
rinting, Publishing and Bookbinding	230	18	112	7	367
oad Transport (other than tramway and omnibus services).	309	4	11	1	325
eneral Engineering	353	10	19	6	388

WIGAN.

22. **Mr. PARKINSON** asked the Minister of Labour the number of unmployed persons on the register of the Wigan Employment Exchange in anuary, 1932 and in January, 1933?

Sir H. BETTERTON: At 25th anuary, 1932, there were 12,862 unemoyed persons on the registers of the igan Employment Exchange and the cal juvenile employment bureaux. At rd January, 1933, the number was ,369.

WALES.

26. **Dr. J. WILLIAMS** asked the inister of Labour the number of men nemployed in the iron and steel instry, the tinplate industry, the enginring trades, and the coal-mining instry for South Wales at the latest ailable date, with the percentage of e unemployed to those in employment?

31. **Mr. DAVID GRENFELL** asked the Minister of Labour the figures of unemployment in the South Wales mining industry in January, 1933, and the same month in each of the preceding five years?

Sir H. BETTERTON: I am having the information desired extracted and will circulate statements in the OFFICIAL REPORT as soon as the figures are available.

28. **Mr. COVE** asked the Minister of Labour the number of persons wholly unemployed in the Welsh division on 20th January, 1932, and 20th January, 1933, respectively, and also the numbers partially unemployed on the same dates?

Sir H. BETTERTON: At 25th January, 1932, the number of wholly unemployed persons on the registers of Employment Exchanges in the Wales Division was 162,790, and the number tem-

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porarily stopped was 52,841. At 25th January, 1933, the corresponding figures were 188,613 and 46,730, respectively.

29. **Mr. COVE** asked the Minister of Labour the number of women registered as unemployed in the County of Glamorgan and the various industries to which they were atached when employed?

Sir H. BETTERTON: As the reply includes a table of figures, I will, if I may, circulate a statement in the OFFICIAL REPORT.

Following is the statement:

At 23rd January, 1933, there were 7,001 unemployed women, insured and uninsured, on the registers of Employment Exchanges in Glamorganshire. The following table shows the number of insured women recorded as unemployed in the principal industry classifications at those Exchanges:

Industry.	Number.
Distributive Trades	2,390
Hotel, Boarding House, etc., service	1,755
Tinplate manufacture	581
Tailoring	459

JUVENILES (PORT TALBOT).

27. **Mr. COVE** asked the Minister of Labour the number of juveniles registered as unemployed in the Port Talbot area for January, 1933, between the ages of 16 and 18, and the numbers between the ages of 14 and 16?

Sir H. BETTERTON: The available figures for unemployment among juveniles relate only to the numbers of insured juveniles aged 16 and under 18 and the number of uninsured juveniles aged 14 and under 18. At 23rd January, 1933, the unemployed persons on the register of the Port Talbot Employment Exchange included 94 insured juveniles aged 16 and under 18 and 237 uninsured juveniles aged 14 and under 18.

EX-SERVICE MEN.

33. **Mr. DAVID ADAMS** asked the Minister of Labour, having regard to the large number of old soldiers now in the ranks of the unemployed, if he will arrange for particulars of the special campaign pension to be posted in all employment exchanges?

Sir H. BETTERTON: I am having inquiries made into the practicability of giving publicity to this matter through the employment exchanges and will communicate with the hon. Member in due course.

35. **Mr. TINKER** asked the Minister of Labour whether he is prepared to introduce an amending Bill to provide that, as in the case of disability pensions, 50 per cent. of the allowances in respect of wife and children shall be disregarded in assessing the needs of applicants for transitional payment?

Sir H. BETTERTON: I am not prepared to anticipate forthcoming general legislations, but I would point out that the considerations underlying the special treatment of personal disability pensions are entirely different from those which arise upon grants for dependants.

STATISTICS.

34. **Mr. TINKER** asked the Minister of Labour the number of wholly unemployed and partially unemployed persons in January, 1932, and in January, 1933, respectively?

Sir H. BETTERTON: At 25th January, 1932, the number of wholly unemployed persons (including casuals) on the registers of Employment Exchanges in Great Britain was 2,232,003, and the number temporarily stopped was 496,408. The corresponding figures at 23rd January, 1933, were 2,378,836 and 524,229, respectively.

GOVERNMENT POLICY.

46. **Mr. BATEY** asked the Prime Minister if he will lay before this House a White Paper giving full details of the schemes for the alleviation of unemployment which the Government have now under consideration?

The PRIME MINISTER (Mr. Ramsay MacDonald): I have already explained the policy of the Government in regard to the provision of employment. As regards the alleviation of the condition of the unemployed, I would ask the hon. Member to await the statement which will be made by the Minister of Labour in the course of the Debate this afternoon.

Mr. BATEY: Are we to understand from that reply that the Minister of Labour is going to tell us what schemes the Government are considering?

The PRIME MINISTER: I would ask my hon. Friend to wait and see.

Mr. BATEY: May I not invite the Prime Minister to tell us what schemes the Government are considering for the purpose of alleviating unemployment?

The PRIME MINISTER: Yes, that will be most appropriate to the discussion which we are to have to-day.

Mr. KIRKWOOD: Arising from the original reply, is the right hon. Gentleman not in a position to tell the House whether the Minister of Labour has anything definite to tell us regarding the schemes the Government have to alleviate unemployment?

The PRIME MINISTER: That question has been answered in the reply I have already given.

ROAD AND SEWAGE WORKS.

59. **Mr. HUTCHISON** asked the Minister of Health whether, in view of the number of private estates which have been recently developed without proper roads or sewerage systems, he will suggest to local authorities the desirability of improving such property by compelling those responsible to carry out the necessary works, and so to provide employment for local workers?

The MINISTER of HEALTH (Sir Hilton Young): A general undertaking to suggest to local authorities that they should force expense of this kind on private owners would not be justified. Each case must be considered on merits.

65. **Mr. LIDDALL** asked the Minister of Health whether, in order to provide work for the unemployed, he will consider taking steps for the provision of adequate sewerage schemes in the large number of small towns and villages which at present are without this service?

Sir H. YOUNG: The duty of carrying out desirable sewerage schemes rests with the district council concerned. I am always ready to entertain applications for sanction to loans for schemes of sewerage which are needed on grounds of public health, and my staff are constantly advising local authorities on schemes.

WATER SCHEMES.

64. **Mr. LIDDALL** asked the Minister of Health whether, in order to provide work for the unemployed, he will consider comprehensive plans for the supply of pure drinking water to every town, village and hamlet in the United Kingdom, including the linking up of existing supplies by the creation of a water grid?

Sir H. YOUNG: I am always ready to entertain applications for sanction to loans for schemes of water supply which are remunerative or needed on public health grounds. As at present advised, I am not of opinion that the creation of a water grid as suggested, even if feasible on engineering grounds, would be economical. The most practical procedure is the formation of advisory regional water committees, systematically to survey needs and resources, and to formulate programmes for meeting the needs in the most effective and economical way.

Mr. LEVY: Can I ask the right hon. Gentleman if I am to understand from the first part of the question that there is no intention of seeing that these localities are provided with proper water supply, unless and until the supply is absolutely going wrong?

Sir H. YOUNG: No, Sir. If the hon. Member will consider my answer, he will see that I refer to the fact that schemes for water supply should be either remunerative or needed on public health grounds.

WOMEN (NIGHT WORK).

2. **Captain PETER MACDONALD** asked the Minister of Labour what is the present position with regard to the night-work convention drafted by the International Labour Office?

Sir H. BETTERTON: The convention concerning the employment of women during the night was ratified by us in 1921. As to the position arising as a result of a recent opinion of The Hague Court regarding the meaning of an article in the convention, I would refer my hon. Friend to the reply given to the hon. Member for Wolverhampton East (Mr. Mander) on 9th February.

Captain MACDONALD: Can my right hon. Friend say what other Governments have ratified the convention?

Sir H. BETTERTON: No, not without notice.

HOURS OF WORK.

3. **Captain P. MACDONALD** asked the Minister of Labour how many nations have now ratified the hours-of-work convention put forward by the International Labour Office?

Sir H. BETTERTON: The Washington Convention on hours of work in industrial undertakings has been ratified by 11 countries; four other countries have undertaken to ratify when others do so. I am circulating in the OFFICIAL REPORT a list of these countries.

Following is the list:

Washington Hours Convention Ratified by:

Belgium.
Bulgaria.
Chile.
Czeckoslovakia.
Greece.
*India.
Lithuania.
Luxemburg.
Portugal.
Rumania.
Spain.

Ratification with Conditional or Delayed Application:

Austria.
France.
Italy.
Latvia.

* Sixty hours not 48, applicable only to certain categories of workers.

7. **Mr. MANDER** asked the Minister of Labour if he will consider addressing a request to the employers' organisation of each industry and to the joint industrial councils and similar bodies where they exist, asking them to conduct a scientific investigation into the cost and practicability of instituting a 40-hour week?

Sir H. BETTERTON: I would refer the hon. Member to the replies given to the hon. Member for Aberdare (Mr. G. Hall) on 16th February and to the hon. Member for Plaistow (Mr. Thorne) on 20th February, from which he will see that I propose to discuss with the Trades Union Congress Council and the National Confederation of Employers' Organisations the most appropriate methods by which this and kindred subjects may be examined in a practical manner.

Mr. MANDER: Is the right hon. Gentleman aware that some important industries do not belong to the Confederation, and will he consider in those cases at any rate, making a direct approach to them?

Sir H. BETTERTON: I will consider that.

Mr. THORNE: Is the right hon. Gentleman aware that the hon. Member who put that question is operating a 40-hour week with every success?

Sir H. BETTERTON: That is another question. Every kind of operation of the 40 hours must be examined. I am well aware of what is in operation in the works to which the hon. Member refers.

POLICE ORGANISATION.

38. **Sir CHARLES CAYZER** asked the Secretary of State for the Home Department whether his attention has been called to the comments of Major-General Sir Llewellyn Atcherley, His Majesty's Inspector of Constabulary, with regard to the need for improved staff organisation in the detection of crime; whether this officer has already on a previous occasion emphasised this need; and whether the authorities propose to take any action to give effect to his views?

The SECRETARY of STATE for the HOME DEPARTMENT (Sir John Gilmour): Measures for improving police organisation in regard to the detection of crime, to which General Atcherley has referred in his recent annual reports, are constantly under review. A difficulty, as he points out, arises from the large number of separate police forces, but steps are taken as opportunity offers to secure greater co-ordination between them and I hope that still further progress can be made at no distant date.

BIRDS AND ANIMALS (CRUELTY).

39. **Mr. THOMAS COOK** asked the Home Secretary the number of convictions against persons found guilty of cruelty to wild birds in cages during the year 1932?

Sir J. GILMOUR: I regret that the information asked for by the hon. Member is not available. The figures in question are not shown separately in the criminal statistics or in the returns from which the published statistics are compiled.

40. **Mr. COOK** asked the Home Secretary the total number of convictions

against persons found guilty of cruelty to animals during the years 1930, 1931, and 1932, respectively?

Sir J. GILMOUR: The number of persons convicted of offences falling under the head of cruelty to animals in the criminal statistics was 2,443 in 1930 and 2,152 in 1931. Figures for 1932 are not yet completely available.

TRANSPORT.

TAXIMETER-CABS (LONDON).

41 and 42. **Captain Sir WILLIAM BRASS** asked the Home Secretary (1) the number of taximeter-cabs, licensed by the Metropolitan Police to ply for hire n London, of over 20 years old;

(2) the number of taximeter-cabs icensed by the Metropolitan police to ply for hire in London over 10 years and ander 20 years old?

Sir J. GILMOUR: I am informed by he Commissioner of Police that out of ,044 motor cabs licensed by the Metropolitan Police, 211 are over 20 years old nd 1,794 are between 10 and 20 years ld.

Sir W. BRASS: Is my right hon. Friend ware that these old vehicles are sold at cheap price and relicensed, and then reate congestion in the streets of ondon?

Sir J. GILMOUR: That may be the ase to some extent, but no doubt expensive repairs are carried out in order hat the cabs may get the licence.

Sir W. BRASS: Does not the right on. Gentleman think that it is about me to get rid of the ten and twentyear-old vehicles?

Mr. HOLFORD KNIGHT: Is the right on. Gentleman aware of the very hard mes that many of these poor taximen ave gone through in the last 10 years, that they have been unable to renew eir cabs?

49. **Rear-Admiral SUETER** asked the ome Secretary if he will direct the etropolitan licensing authorities to range that in future all new taximeterbs to ply for hire within the Metrolitan district shall be fitted with some rm of illumination so that the hiring gs may be easily distinguished after rk by would-be hirers?

Sir J. GILMOUR: The Commissioner of Police informs me that the regulations in regard to taximeters on cabs are now being revised and that he intends to include a requirement to ensure that the flags on all new taximeters shall be adequately illuminated.

LONG-DISTANCE MOTOR SERVICES.

89. **Sir W. BRASS** asked the Minister of Transport whether he can state the average number of long-distance motor coaches which enter (and leave) the Metropolis from a distance exceeding 30 miles daily?

The MINISTER of TRANSPORT (Mr. Stanley): I regret that the desired information is not available.

Sir W. BRASS: Surely my hon. Friend is able to get the information from the commissioners under the Transport Act?

Mr. STANLEY: No, not without the greatest amount of trouble and expense, and even then it will only show the vehicles licensed for this purpose and not the vehicles actually running.

Sir W. BRASS: Are we to understand that there is no information available at the Ministry to tell us how many long-distance omnibuses come into London daily?

Mr. STANLEY: That is the effect of my answer.

TRAFFIC COMMISSIONERS (EXPENDITURE).

91. **Lord SCONE** asked the Minister of Transport if he will state for each of the years 1931 and 1932 the total expenditure, including salaries, incurred by the traffic commissioners for the Scotland (Northern) and Scotland (Southern) areas, respectively?

Mr. STANLEY: The total identifiable expenditure, including salaries, incurred in the financial year 1931-32 in respect of the traffic commissioners' organisation for the Scotland (Northern) area was £11,169 and for the Scotland (Southern) area £12,550. The estimated expenditure for the financial year 1932-33 is:

Northern area	£9,400
Southern area	£11,600

ARMISTICE DAY (POPPY SALES, HULL AND BARNSLEY).

44. **Mr. GLOSSOP** asked the Home Secretary if he is aware that the city of

[Mr. Glossop.]
Hull and the town of Barnsley have banned poppy day for this year; and whether he will introduce legislation giving a statutory right to those citizens who desire to pay homage to the fallen to purchase and wear a poppy on Armistice Day?

Sir J. GILMOUR: The question what collections shall be allowed in any street or public place is a matter for the local police authority, and I have no power to interfere with any decisions which may have been taken by the Watch Committees in question. The regulations which police authorities are empowered to make only apply to collections in any street or public place and would not prevent the sale of poppies by other methods than street sales.

Mr. GLOSSOP: Am I to understand from the answer that the right hon. Gentleman is not going to use his influence to try and have removed this slur which has been cast on the men of these towns who gave their lives to the country?

Mr. SMEDLEY CROOKE: Is the right hon. Gentleman aware that the 11th November is not an ordinary flag day, but that it is a national observance, when poppies are worn as an act of homage to the dead; and will he use his influence with the local authorities to revoke their decision?

Sir J. GILMOUR: I have no direct authority, but I hope that the ventilation of this question in the House may lead to some reconsideration of the matter.

Mr. EVERARD: Cannot the right hon. Gentleman invoke the aid of the hon. Members for Hull and Barnsley and ask them to exercise their influence on the local council and to point out to them that over £8,000 was spent in Hull in the last four years, and that that is more than the amount collected in Hull?

AGRICULTURE.

MILCH CATTLE DISEASES.

45. **Sir GIFFORD FOX** asked the Prime Minister by what approximate date the committee which is examining the question of disease among milch cattle will issue its report?

The PRIME MINISTER: The committee are still engaged in taking oral evidence, and in view of the large number of difficult questions embraced in their terms of reference and the important interests likely to be affected by their recommendations, I do not anticipate that they will be in a position to submit their report for some time.

POULTRY DISEASE.

76. **Lieut.-Colonel HENEAGE** asked the Minister of Agriculture what steps he has taken to bring to the notice of poultry breeders the use of accredited testing stations, with a view of preventing bacillary white diarrhoea?

The MINISTER of AGRICULTURE (Major Elliot): The Ministry issued last summer a notice to the Press drawing the attention of poultry keepers to the value of the agglutination test as a precaution against bacillary white diarrhoea among their flocks; and I am satisfied that poultry keepers generally are well aware of the usefulness of the test. Advice as to suitable laboratories can be obtained from any county agricultural organiser or poultry instructor.

Lieut.-Colonel HENEAGE: Will my right hon. and gallant Friend bear in mind the fact that certain poultry keepers are not satisfied with the guarantees that have been given by various firms in accordance with this test? Could he give any information on that point?

Major ELLIOT: No, Sir.

77. **Lieut.-Colonel HENEAGE** asked the Minister of Agriculture if he can give any figures showing the prevalence of bacillary white diarrhoea in poultry in Great Britain and Northern Ireland?

Major ELLIOT: Bacillary white diarrhoea in poultry is not a notifiable disease in Great Britain or Northern Ireland, and no figures are available as to its incidence.

BROADCAST PRICES (LINCOLNSHIRE).

78. **Lieut.-Colonel HENEAGE** asked the Minister of Agriculture how many times agricultural prices from Lincolnshire towns have been broadcast in the last month, and what those towns were?

Major ELLIOT: The prices of livestock and other agricultural produce are not broadcast in respect of any Lincolnshire market.

Lieut.-Colonel HENEAGE: In view of the fact that Lincolnshire is the second largest county in England, will my right hon. and gallant Friend take into consideration the fact that the local farmers' prices are not broadcast?

Major ELLIOT: I shall be very glad to consider any suggestion that my hon. and gallant Friend may care to put before me.

Mr. GLOSSOP: Seeing that the prices broadcast by the British Broadcasting Corporation are very misleading, is not Lincolnshire in fact very lucky that its farmers' prices in their markets are not broadcast?

CHEESE (IMPORTS).

79. **Sir C. CAYZER** asked the Minister of Agriculture whether, as a result of his recent conference with the representative deputation of cheese producers, he has now been able to formulate a scheme for dealing with the present importation of cheeses from the Dominions at an abnormally low price on the same lines as the voluntary meat importation restriction scheme?

Major ELLIOT: The dairy produce situation as a whole is at present engaging the attention of the Government, and I am not in a position to make any statement on the subject.

Sir C. CAYZER: Is the Minister aware hat New Zealand cheese is now being sold across the counter at 5½d. per pound, and that, in consequence, the Cheshire heese industry has been brought to the erge of complete collapse; and will he ot immediately confer with the reprentatives of the Dominions and see if t is not possible to put in operation a striction scheme on voluntary lines for heese imports, on the same lines as the eat restriction scheme?

Major ELLIOT: That consideration is t present engaging the attention of the overnment.

Sir PERCY HARRIS: Is the Minister ware that these low prices are much preciated by the wives of unemployed en in the East End of London?

IMPORTED EGGS.

80. **Captain DOWER** asked the Minisr of Agriculture whether he will conder the advisability of taking steps to ensure that chilled or cold-stored eggs, imported from Australia and South Africa, are sold as Empire chilled eggs and not Empire fresh eggs?

Major ELLIOT: Eggs imported from Australia and South Africa are marked with the name of the country of origin, which in itself indicates that they have been chilled or otherwise preserved.

Captain DOWER: Will the Minister consider the fact that eggs imported from Australia are chilled for eight weeks, and are sold as fresh or new-laid, in spite of their having the name of the country of origin on them, while British eggs which have been chilled for one week must be marked as chilled; and does he not think that that is rather a deceptive marking?

Major ELLIOT: I cannot conceive that anyone could eat an egg eight weeks old without being aware of it.

CONVICTIONS (LOITERING WITH INTENT).

47. **Mr. LOVAT-FRASER** asked the Home Secretary how many persons under 21 years of age have been bound over, placed on probation, or sent to prison for loitering with intent to commit a felony during 1931; and how many of these were first offenders?

Sir J. GILMOUR: I regret that the only figure I can give is the number of persons under 21 who were charged with frequenting and were placed on probation with supervision: it was 236. Information is not available which would enable me to answer the rest of the question.

48. **Mr. LOVAT-FRASER** asked the Home Secretary how many of those who were sent to Wormwood Scrubs prison during 1931 were committed for loitering with intent to commit a felony?

Sir J. GILMOUR: The information is not available, and I regret that I should not feel justified in incurring the expenditure which would be necessary to extract it specially from the prison records.

HONOURS (PREVENTION OF ABUSES) ACT.

50. **Mr. COCKS** asked the Home Secretary whether his attention has been drawn to the recent proceedings against Mr. J. Maundy Gregory for attempting to obtain £10,000 as an inducement for endeavouring to procure the grant of a dignity or title of honour; whether it was drawn also to the statement made by the inspector in charge of the case that a number of similar complaints had been made to the police; whether he can state over what period those complaints extended; and whether any steps will be taken to investigate those complaints in the public interest?

Sir J. GILMOUR: The answer to the first and second parts of the question is in the affirmative. As regards the remainder, the complaints extended over a period of about three years: they have already been investigated by the Police but no sufficient evidence has been obtained to justify criminal proceedings.

Mr. COCKS: Were those complaints from people who had paid money and had not received a title, or were they about people who, having received a title, had not paid the money?

EDUCATION (TEACHERS' PROSECUTION).

51. **Captain TODD** asked the Parliamentary Secretary to the Board of Education whether he is aware that Mrs. K. Duncan, a school teacher under the London County Council, having been sentenced to two months' imprisonment for incitement, was only cautioned by the London County Council Education Committee and is now again teaching in a London school, and also that her husband, Mr. A. E. Duncan, having been fined in the summer for 1932 for taking part in a riot at Deptford, was also only cautioned by the London County Council and is also at present teaching in a grant-aided school; and whether he will take steps to ensure that teachers convicted of offences of this nature are not allowed to teach British children?

The PARLIAMENTARY SECRETARY to the BOARD of EDUCATION (Mr. Ramsbotham): My Noble Friend has made inquiries into the matters raised in my hon. Friend's question, which had not previously been brought to the notice of the Board. From these inquiries the facts appear to be as follow. Mrs. Duncan was charged with being a disturber of the peace and an inciter of others to commit crimes and misdemeanours. She was ordered by the magistrate to find a surety in £50 to keep the peace for six months or go to prison for one month in default. She chose the latter course. She has not, in fact, been employed by the London County Council since September last. Mr. Duncan was fined £5 for obstructing a police officer in the execution of his duty. I understand that in accordance with the usual practice the cases were both the subject of examination by the appropriate sub-committee of the London County Council, and that the two teachers referred to were severely cautioned by the chairman.

The Board's regulations require that if a teacher is convicted of a criminal offence the facts must be at once reported to the Board, and the case, therefore, of Mr. Duncan should have been so reported. I understand that it was through inadvertence that this was not done, and that steps have been taken to ensure strict compliance with the regulations for the future. In Mrs. Duncan's case the court did not proceed to a conviction and there was, therefore, no similar obligation on the London County Council to report the facts. The Board have now been furnished with particulars of the two cases and they are considering what further action can or ought to be taken in regard to them under their regulations.

Captain TODD: Is my hon. Friend aware that in their issue of 4th February, the "Daily Worker" published an article suggesting that they had been able to intimidate the Education Committee of the London County Council, and prevent them taking action against these teachers; and does he not consider that action should be taken to prevent teachers with such very close connection with international atheism and Communism from teaching British children?

Mr. RAMSBOTHAM: In reply to the first part of the supplementary question, I am not aware of the facts stated. In regard to the second part of the question, it would be unwise to say anything to prejudice the position in view of the investigation which is to take place.

Mr. MAXTON: Is the hon. Gentleman aware that both these teachers have very excellent records as members of the teaching profession, and will he resist the suggestion that teachers should be subjected to persecution for holding special political views?

Mr. RAMSBOTHAM: The teaching record of these two persons is, I understand, satisfactory.

HOUSING.

RECONDITIONING.

54. **Viscount CRANBORNE** asked the Minister of Health when the committee which he is setting up, under the Housing Bill, to consider the question of re-conditioning is expected to report?

Sir H. YOUNG: I hope the committee will find it practicable to submit a report at an early date, but it would be premature for me to attempt to fix one at the present time.

Viscount CRANBORNE: Will the Government regard this as a matter of urgency, in view of the proved fact that reconditioning can be carried out on an economic basis?

Sir H. YOUNG: Certainly, the committee will be asked to undertake the matter as one of urgency.

SLUM CLEARANCE ORDERS.

56. **Mr. HARCOURT JOHNSTONE** asked the Minister of Health what the average time has been during the last three years between local authorities passing resolutions in favour of clearance orders and the delivery by the Minister to the local authority of the sealed order approved by the Minister?

Sir H. YOUNG: The records of my Department are not kept in a form which enable this question to be precisely answered, but the confirmation of a clearance order would, in the absence of special difficulties, ordinarily occupy a period of between four and six months?

Mr. JOHNSTONE: Is the right hon. Gentleman aware that in the case of the last clearance order obtained by the South Shields Council eight months elapsed from the submission of the final plans to the Minister, and a further four months between the inquiry and the arrival of the sealed order at the municipality's offices?

Sir H. YOUNG: No, Sir; I do not think that is an accurate account of the transaction in that particular case.

Mr. JOHNSTONE: Will the right hon. Gentleman make inquiries, as my information is based upon an official letter from the municipality concerned?

Sir H. YOUNG: If the hon. Member has any particular facts which he would like to bring to my attention in connection with this particular application, I will certainly give them my careful consideration.

Sir P. HARRIS: Will the right hon. Gentleman endeavour to simplify the procedure?

Sir H. YOUNG: The simplification of machinery and the expedition of procedure is a matter which is always occupying attention.

CENSUS RETURNS (PUBLICATION).

55. **Mr. McGOVERN** asked the Minister of Health when the completed Returns of the Census taken in 1931 will become available; and what are the reasons for the delay in the publication of the figures?

Sir H. YOUNG: It is expected that publication of the County Report series for the census of England and Wales will be completed in June next. A series of subject and summary volumes will follow, the issue of which should be completed early next year. As regards the latter part of the question, I am not aware of any delay since both the estimated rate of progress and that already realised compare favourably with the experience of previous censuses and, I am advised, of other countries. As regards Scotland, the hon. Member should address an inquiry to the Secretary of State for Scotland.

Mr. McGOVERN: Is not three years undue delay in this matter? Could there not be speeding up in some way?

Sir H. YOUNG: No, Sir; I certainly cannot admit that there is any delay at

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all. On the contrary, I think the work has been undertaken with great promptitude and efficiency.

Mr. MAXTON: Does not the right hon. Gentleman realise that it would be most desirable to have these figures as soon after they are taken as possible, and that there must be any amount of labour available which could have been used to complete the work much more speedily?

Sir H. YOUNG: Undoubtedly these figures should be available as soon as possible and that point is always kept under consideration, but I must remind the hon. Member that the work requires a large amount of extremely skilled labour.

RATING APPEALS.

58. **Sir REGINALD BLAKER** asked the Minister of Health whether he is aware that by reason of the high costs of appeal from assessment committees, large numbers of smaller assessees are, in practice, without any redress, when aggrieved by a decision of an assessment committee; and what action he proposes to take in the matter?

Sir H. YOUNG: The answer to the first part of the question is in the negative. It is not contemplated to alter the statutory provisions on the subject.

Sir R. BLAKER: Does the right hon. Gentleman realise the great hardship imposed upon a large number of smaller people, by reason of the high cost of appeals to Quarter Sessions, and, if not, will be consider any information which I am able to bring to his notice?

Sir H. YOUNG: I shall be most happy to consider any information which the hon. Member has in his possession.

LOCAL EXPENDITURE.

57. **Mr. H. WILLIAMS** asked the Minister of Health the aggregate of the rate and grant-borne expenditure of the local authorities for 1929-30, together with the estimated aggregates for the years 1930-31, 1931-32, and 1932-33?

Sir H. YOUNG: The aggregate expenditure of local authorities in England and Wales falling on rates and Government grants, excluding grants for capital purposes, was £262,350,000 in 1929-30 and £271,760,000 in 1930-31. The corresponding estimated figures for the two following years are not yet available.

Mr. WILLIAMS: May I ask how the estimate of £20,000,000 given in the Debate last week was arrived at?

Sir H. YOUNG: That was an estimate of a different quantity for a different period.

Mr. WILLIAMS: Is it not the case that the expenditure for the present year was estimated by the right hon. Gentleman to be £20,000,000 below the level for 1929-30? He now tells us that the figures for the present year are not available. May I ask how the estimate was arrived at?

Sir H. YOUNG: In the present question the hon. Gentleman is asking me about a different quantity, that is, the rate and grant-aided expenditure.

POOR LAW.

EXPENDITURE.

61. **Mr. T. WILLIAMS** asked the Minister of Health how many local authorities have estimated for public assistance expenditure for the year 1933-34; and in how many cases the estimate is an increase over the year 1932-33?

Sir H. YOUNG: Local authorities are not required to send copies of their estimates to my Department. I regret that the information desired by the hon. Member is therefore not available.

Mr. WILLIAMS: Could the right hon. Gentleman state how many local authorities have intimated to his Department what the estimated increase in public assistance expenditure will be for the coming financial year?

Sir H. YOUNG: I explained to the hon. Member that there is no obligation upon the local authorities to give information to me. It is only casually, through deputations and so on, that I receive such information.

INSTITUTIONS (INMATES' TRANSFERENCE).

62. **Mr. HICKS** asked the Minister of Health whether he is aware that, under the new arrangements made by the public

assistance committee of the London County Council, aged people, who through poverty are obliged to enter Poor Law institutions during the later years of their life, are being removed to other institutions, in some cases far from their friends; and whether, in view of the hardship this causes, he will take steps to prohibit the removal of aged persons from such institutions if they have been residents for a period of years and are over the age of 60?

Sir H. YOUNG: The improved classification of institutions, which was contemplated by the Local Government Act, 1929, and which is in the interest of inmates, cannot be effected without some transference. I understand that the London County Council are doing everything in their power to minimise inconvenience to these old people and their friends. I have, in any event, no power to issue such a prohibition as is contemplated in the last part of the question.

Mr. HICKS: May I ask the Minister whether he would be willing to recommend to the London County Council that, in the cases of aged people who want to visit their friends, and for whom it is quite a physical trial, or if any of their old friends want to visit them, the council should, in so far as is practicable, minimise any attempt to transfer those people?

Sir H. YOUNG: I think that I can assure the hon. Gentleman that careful consideration of the convenience and comfort of the particular cases is given. I would remind him that the old people will be dealt with according to the proper classification.

Mr. LANSBURY: Might I ask the right hon. Gentleman whether he would ask the inspectors to go into this matter? Is he aware that there are cases of old people who are 80, 82 or 83 years of age, and who have been shifted right away from their friends? No one accuses anyone of doing that to hurt people, but it does seem that arrangements might be made to deal with these relatively few cases of real hardship.

Sir H. YOUNG: I am satisfied that the London County Council are doing everything in their power to consider the circumstances of particular cases.

CASUAL WARDS.

66. **Mr. DAVID ADAMS** asked the Minister of Health the number of men, women, and children who have passed through casual wards in the County of London during November and December, 1932, and January, 1933, and the corresponding periods for 1931-32?

Sir H. YOUNG: I regret that this information is not available. The average numbers in casual wards on Fridays, in the two periods named, were 714 for the earlier period, and 691 for the latter.

NECESSITOUS AREAS (DURHAM).

68. **Mr. McKEAG** asked the Minister of Health if his attention has been drawn to the fact that the charge on rates for public assistance in Durham county for 1933 is estimated to amount to £1,312,815, representing an increase of £100,000 in the last 12 months and £400,000 in the last three years; and whether he proposes to take any immediate steps to relieve this burden on local ratepayers?

Sir H. YOUNG: Local authorities' estimates of expenditure are not submitted to me. As regards the second part of the question, I would refer to the answer given to the hon. Member for Carnarvon (Major Owen) on the 28th February.

Mr. McKEAG: May I ask the right hon. Gentleman if he will have regard to the absolute necessity of giving a substantial measure of relief to the depressed area of Durham County at the earliest possible moment?

PUBLIC HEALTH.

MILK (SPECIAL DESIGNATIONS) ORDER.

63. **Captain McEWEN** asked the Minister of Health whether he is now in a position to alter the requirement of the Ministry whereby it is laid down that the date of production must be stated on the caps of all bottles of certified milk?

Sir H. YOUNG: This matter has not been lost sight of, but, pending decisions on certain wider questions of policy, I cannot at present undertake to consider altering the relevant requirements of the Milk (Special Designations) Order, 1923.

Captain McEWEN: Does the right hon. Gentleman not realise that the adjustment requested is a very small one, and could its adoption not be accepted?

Sir H. YOUNG: I am aware of the arguments in favour of the course which the hon. Member recommends, but, as I say, a decision at the moment would not be convenient, in view of certain wider decisions under consideration.

MATERNITY AND CHILD WELFARE (CORNWALL).

67. **Mr. PRICE** asked the Minister of Health whether his attention has been drawn to the decision of the Cornwall Public Health Committee to reduce the number of health visitors from 11 to nine, combining their work with that of inspectors of midwives; and whether, in view of the fact that he has on more than one occasion pointed out to this authority that the medical and clerical staff employed by it on the public health work of the county is insufficient and does not provide proper maternity and child welfare services, he will state what steps he intends to take?

Sir H. YOUNG: I do not find that my attention has been previously drawn to this matter, but I am causing inquiries to be made of the Cornwall County Council in regard to it.

Mr. PETHERICK: Is the right hon. Gentleman aware that the standard of health which prevails in Cornwall is at least as good as that which prevails in the West Riding of Yorkshire?

NATIONAL FINANCE.

BEER DUTY.

70. **Major-General Sir ALFRED KNOX** asked the Chancellor of the Exchequer what was the revenue from beer excise in the nine months ended 31st December, 1930 and 31st December, 1932, respectively.

The CHANCELLOR of the EXCHEQUER (Mr. Chamberlain): The net revenue derived from the duty on home-made beer in the nine months ended 31st December in each of the years 1930 and 1932 (respectively) was as follows:

	£
1930	53,916,000
1932	52,748,000

Sir A. KNOX: Does not the right hon. Gentleman now acknowledge that this malicious tax has been of as little use to the Treasury as it has been harmful to decent people in this country who drink beer?

Mr. CHAMBERLAIN: I do not acknowledge anything.

TRADE AND COMMERCE.

IMPORT DUTIES (MACHINERY).

71. **Sir A. KNOX** asked the Chancellor of the Exchequer whether he will consider the possibility of inserting in the Finance Act a clause making it possible to issue retrospective licences permitting the refund of the duty on specialised machinery, not manufactured in this country, which entered Great Britain in the period between the 1st March, 1931, when such duty was first imposed by the Import Duties Act, and the 16th June, 1931, when last year's Finance Act, Section 10, provided for the importation of such machinery duty free in consideration of the fact that the early importation of this machinery enabled canning firms, in particular, to employ several hundred extra hands who would otherwise have remained idle during last summer?

Mr. CHAMBERLAIN: I regret that I cannot entertain my hon. and gallant Friend's suggestion.

Sir A. KNOX: Will the right hon. Gentleman consider the facts of the case? Is he aware that these firms, owing to their keenness to employ labour, happened to import machinery in the only three and a-half months during which duty has been paid on that machinery; and would not this concession be a fair recompense to them for their enterprise in trying to cut down unemployment?

Mr. CHAMBERLAIN: I have considered that point. The suggestion which my hon. and gallant Friend makes would lead, I am afraid, to a good many other complications which, possibly, he has not considered.

Sir A. KNOX: Will my right hon. Friend receive a deputation on the subject?

Mr. CHAMBERLAIN: I shall be very happy to receive my hon. and gallant Friend, if he likes to come and see me.

Mr. PERKINS: Is it not the case that, as a result of the tariff policy of the Government, it is now possible to purchase such machinery in this country?

PRICE LEVEL.

72. **Mr. MABANE** asked the Chancellor of the Exchequer whether, in order to prevent the Government's policy of scientific expansion being frustrated by a further fall in the internal price level, action is to be taken to prevent such a fall; and whether he can indicate the nature of that action?

Mr. CHAMBERLAIN: It is impossible to isolate sterling prices completely from the effect of falling world prices, but, although world prices have dropped by some 20 per cent. during the last 18 months, the sterling price level has remained remarkably stable. I am not without hope that the policy of cheap money and plentiful credit which has brought about this result may, if continued, lead to an increase of prices, and this process will undoubtedly be greatly facilitated if international agreement can be obtained on some of the present world problems.

Mr. MAXTON: Could the right hon. Gentleman tell us if there is any money left in the Exchange Equalisation Fund?

Mr. CHAMBERLAIN: I do not think it would be desirable to disclose particulars about the Exchange Equalisation Fund.

Mr. COCKS: Could the right hon. Gentleman explain what exactly "scientific" expansion is?

Mr. CHAMBERLAIN: That inquiry had better be addressed to the hon. Member who put the question.

Mr. MABANE: Will the right hon. Gentleman treat this matter as one of grave urgency, in view of the continued fall since the Ottawa declaration in favour of raising the price level; and is he aware that many Members of the House attribute that continued fall to the policy of restriction and deflation pursued by the Bank of England?

NEW ZEALAND (PRIMAGE DUTIES).

81. **Mr. MANDER** asked the Secretary of State for Dominion Affairs what action he is taking in view of the raising by the New Zealand Government of primage duties on a number of products from 3 per cent. to 5 per cent., although under the Ottawa Agreement these were to be reduced?

The SECRETARY of STATE for DOMINION AFFAIRS (Mr. J. H. Thomas): I think that the hon. Member may be under some misapprehension. The primage duty in New Zealand still remains at 3 per cent. ad valorem, and only applies to imported goods, whether United Kingdom or foreign, which are otherwise free of Customs duty. A sales tax of 5 per cent. has, however, just been imposed by His Majesty's Government in New Zealand on the sale value of certain goods, and I understand that this tax is chargeable upon all goods to which it relates, whether imported or locally produced.

Mr. MANDER: Does the right hon. Gentleman consider that to be consistent with the spirit of the Ottawa Agreements?

Mr. THOMAS: The hon. Member asked me in his question what action I was taking in view of the raising of primage duties by the New Zealand Government. I have just said that that has not been done.

WAR MATERIAL (EXPORT LICENCES).

92. **Mr. GORDON MACDONALD** asked the President of the Board of Trade whether he will give particulars by categories and by countries, for the year 1932 and January and February, 1933, of arms and munitions and naval and military stores, not including sporting arms and munitions, destined for all countries, excluding China and Japan, in respect of which he has issued export licences?

The PRESIDENT of the BOARD of TRADE (Mr. Runciman): I will circulate as soon as possible in the OFFICIAL REPORT a statement giving the information desired.

93. **Mr. MACDONALD** asked the President of the Board of Trade whether he can state for the year 1932 and January and February, 1933, by categories, the declared value of domestic exports of arms, munitions and naval and military stores, not including sporting arms and munitions, exported from the United Kingdom to all countries, excluding China and Japan, and the countries to which consigned; and, similarly, the declared value of re-exports?

Mr. RUNCIMAN: I am having a statement prepared which I will send to the hon. Member as soon as possible.

IMPORT RESTRICTIONS, SWITZERLAND (WOOLLEN AND WORSTED TISSUES).

94. **Mr. MABANE** asked the President of the Board of Trade whether he is aware that the Swiss Government have placed an embargo on the importation of woollen and worsted tissues of a weight exceeding 300 grammes a square metre; whether there is reason to believe this action is preliminary to the establishment of a quota for these goods; whether he can give any further information on the subject; and what action he proposes to conserve the interests of those engaged in this country in the manufacture of these goods?

Mr. RUNCIMAN: Under a Swiss Decree and Order of 23rd February, the importation from any country of the tissues referred to is made subject to special authorisation, and the competent department has power under the decree to fix quotas for each country. The position will be carefully watched and appropriate steps will be taken should any question of discrimination against this country arise.

Sir P. HARRIS: Is not this partly the result of the tariff policy of the Government, which has inevitably led to retaliation?

Mr. RUNCIMAN: No, Sir.

GOVERNMENT DEPARTMENTS.

HOURS OF DUTY.

73. **Sir G. FOX** asked the Financial Secretary to the Treasury whether any comparison has recently been made between the hours worked in the various Government Departments in London and those worked by employés under the London County Council at County Hall; and, if not, whether he will arrange for such a comparison to be made, in view of the recommendations with regard to the former contained in the Report of the Committee on National Expenditure?

The FINANCIAL SECRETARY to the TREASURY (Mr. Hore-Belisha): Yes, Sir. I would, however, remind my hon. Friend that the conditions of employment in the Civil Service, including hours of duty, were recently the subject of inquiry by the Royal Commission on the Civil Service, whose report is at the present time under discussion between representatives of Government and of the various staff organisations concerned.

EX-SERVICE MEN.

74. **Sir FRANK SANDERSON** asked the Financial Secretary to the Treasury whether, seeing that it is the policy of His Majesty's Government to extend preference in the matter of employment to ex-service men as messengers and paper and record keepers in the various departments of His Majesty's Civil Service, and in view of the fact that they have had continuous service for upwards of 12 years, His Majesty's Government will open up negotiations with the appropriate associations with a view to these men being granted pensionable status?

Mr. HORE-BELISHA: As stated in paragraph 210 of the Report of the Royal Commission on the Civil Service, 1929-1931, the classes concerned are ordinarily organised in two grades, of which the higher is established, the members of the lower grade being eligible for promotion to this grade. Representations on the general subject of the establishment of classes at present unestablished have in fact already been made through the recognised channels, and are at present the subject of discussion.

KENYA LAND COMMISSION (REPORT).

82. **Mr. MANDER** asked the Secretary of State for the Colonies when he expects to receive the report of Sir Morris Carter upon the question of native reserves of Kenya Colony; and whether it is his intention to request Sir Morris Carter to forward an interim report upon the reserves in which gold working is at present taking place?

The SECRETARY of STATE for the COLONIES (Sir Philip Cunliffe-Lister): I am informed that the Chairman of the Commission hopes the report to be ready early in June. The Governor estimates that the printing of the report, with maps and records of evidence, may take up to a further six weeks. The answer to the last part of the question is in the negative.

SCOTLAND.

ARRESTS AND DISCHARGE.

83. **Mr. McGOVERN** asked the Secretary of State for Scotland the names and addresses of the two men who were arrested in connection with the alleged illegal operation on Miss Catherine Hamilton Wilson Craig, Bayfield, Newmains, Lanarkshire, which resulted in her death, and what were the reasons for their release?

The LORD ADVOCATE (Mr. Craigie Aitchison): The names and addresses are: James Leslie Smith, Newmains, Lanarkshire, and Thomas Tennant Kerr, Grosvenor Terrace, Glasgow. These two men were called by the Crown as King's evidence and were thereby discharged.

Mr. McGOVERN: Were not these men arrested for a share in this illegal operation; is it not the case that, according to the evidence led, these men exerted the utmost pressure, and that, after the refusal by the women, they induced them, by offering them good sums of money, to perform this operation; and are they not the persons really responsible for the crime?

The LORD ADVOCATE: As the hon. Member will see, it is quite impossible for me to enter into any discussion of the evidence led at the trial. Of course, the men were implicated, in the view of the Crown, or they would not have been called as King's evidence. The question as to who was to be called as King's evidence was a question in the discretion of the Crown, and all relevant considerations were taken into account.

CITY CHAMBERS, EDINBURGH (ADVOCATE'S CLOSE).

85. **Mr. LOVAT-FRASER** asked the Secretary of State for Scotland if, in the demolition now proceeding in connection with the City Chamber extension in Edinburgh, it is proposed to include the destruction of the Advocate's Close; and, if so, whether he will do anything to save this relic of old Edinburgh?

The SECRETARY of STATE for SCOTLAND (Sir Godfrey Collins): I am informed that the Advocate's Close is not affected by the alterations on the City Chambers. It is at present closed owing to operations in connection with a dangerous building which is being removed by order of the Dean of Guild Court. The Close will be reopened as soon as it is safe to do so.

MAGISTRATE'S CONVICTION, GLASGOW.

The following Question stood upon the Order Paper:

84. **Mr. McGOVERN.** To ask the Secretary of State for Scotland if he has yet reviewed the evidence in the recent bribery trial in Glasgow high court; and if he is able now to announce the setting up of a judicial inquiry.

Mr. McGOVERN: I postpone this at the request of the Secretary of State, who is earnestly considering the matter and will not be in a position until next week to make a decision.

HOUSING, STRATHBLANE AND BLANEFIELD.

86. **Mr. LEONARD** asked the Secretary of State for Scotland if he is aware of the existence of basement houses in Blanefield, Stirlingshire, whose occupants have no windows to give light and air and have to rely on these necessities on partitions separating them from rooms belonging to other houses; and what steps he proposes to take?

The UNDER-SECRETARY of STATE for SCOTLAND (Mr. Skelton): The Department of Health for Scotland have no information regarding the houses referred to, but I am having inquiries made and shall inform the hon. Member of the result as soon as possible.

87. **Mr. LEONARD** asked the Secretary of State for Scotland whether he is aware that in February, 1931, and subsequent dates, groups of inhabitants of the villages of Strathblane and Blanefield, in Stirlingshire, demanded a public inquiry into the non-observance of sanitary and health regulations; and if he will state the reason for the delay in acceding to these requests?

Mr. SKELTON: I am aware that requests for a public inquiry have been made to the Department of Health for Scotland in regard to housing in Strathblane and Blanefield. As regards the latter part of the question, I would refer the hon. Member to the replies on this subject given to the hon. Member for Dumbarton Burghs on 17th and 29th November last.

PUBLIC CONTRACTS (FOREIGN NAILS).

88. **Mr. LEONARD** asked the Secretary of State for Scotland whether he is satisfied that the regulations giving preference to British materials in public assistance department contracts are being observed at the Lennox Castle scheme of the Glasgow Public Assistance Committee; whether he is aware that, in particular, foreign nails are being used; and if he will state the names of the contractors responsible for this departure from the regulations?

Sir G. COLLINS: I am making inquiries and I shall communicate with the hon. Member as soon as possible.

ELECTRICITY SUPPLY, ERROL.

90. **Lord SCONE** asked the Minister of Transport if he is now in a position to make a statement on the proposed introduction of electricity into the village of Errol?

Mr. STANLEY: I would refer my noble Friend to the answer which was given to him on 8th February, to which I am not in a position to add anything.

Lord SCONE: Is my hon. Friend aware that the position is now very serious as regards the inhabitants of a large rural area, and will he consider the advisability of taking some definite action in the matter?

Mr. STANLEY: As my noble Friend is well aware, I have no power in the matter, as things stand at present, until agreement is reached between the authorities. My predecessor made every effort to facilitate such agreement.

JERSEY (LIGHTS AND FOG SIGNALS).

97. **Mr. THORNE** asked the President of the Board of Trade whether his attention has been called to the report of the inquiry of the steamship "St. Patrick," which struck a rock off La Corbiere Point, Channel Islands; if so, whether he has taken any action in regard to the recommendation that additional protection should be afforded to mariners by the installation of an efficient lighthouse and fog signal at Gros Nez Point; and whether he has received any complaints that the fog signal at La Corbiere lighthouse is unsatisfactory?

Mr. RUNCIMAN: The States of Jersey are considering improvements of the existing light and fog signal at La Corbiere and have had advice from the Corporation of Trinity House on the subject. I understand that the installation of a flashing light and a fog signal at Gros Nez Point will also be considered by the States of Jersey as and when funds permit. We have not received any direct complaints that the fog signal at La Corbiere is unsatisfactory, but I am, of course, aware of the views of the Court of Inquiry on this point.

BUSINESS OF THE HOUSE.

Mr. LANSBURY: May I ask what will be the business for next week, and is it possible to state when the Budget will be introduced?

The PRIME MINISTER: As regards the second question, we are still four clear weeks away from the end of the financial year. I will make the announcement of the date as soon as it can be made. The business is as follows:

Monday: Remaining stages of the Housing (Financial Provisions) Bill; Doncaster Area Drainage Bill; and Visiting Forces (British Commonwealth) Bill from another place.

Tuesday: Second Reading, Local Government (General Exchequer Contributions) Bill; remaining stages of the Indian Pay (Temporary Abatements) Bill; and Committee stage of a Supplementary Estimate for Dominions Services (Newfoundland Loan).

Thursday: It is proposed to move Mr. Speaker out of the Chair on going into Committee of Supply on the Army Estimates and to consider Votes A, 1, 10, 11, 13, 14 and 15.

If there is time on any day, other Orders will be taken. Private Members' business will be taken on Wednesday and Friday.

Mr. LANSBURY: Will the right hon. Gentleman take into account that we think the Housing (Financial Provisions) Bill will take up till Eleven o'clock, and we certainly think the first Order on Tuesday will take until Eleven o'clock. Will he ask the Parliamentary Secretary to the Treasury to make arrangements with hon. Members who support the

Government to restrict their opposition and curb the rebellious spirits on the Government side?

The PRIME MINISTER: The latter point has not been before us, but it is not the intention of the Government to keep the House sitting inordinately late.

Mr. HANNON: When is it proposed to take the Rent and Mortgage Interest Restrictions (Amendment) Bill?

The PRIME MINISTER: It has no place next week.

QUESTIONS TO MINISTERS.

Mr. CHURCHILL: I desire to raise a point of Order. I asked leave yesterday to put the following question by Private Notice as a matter of urgency:

> "To ask the Secretary of State for India whether a committee of Indians is being invited by the Goernment to participate, in a consultative capacity or otherwise, in the work of the Joint Committee of both Houses shortly to be set up, and whether he can assure the House that he will in no way prejudice, by the form of the invitation, the decision of either House of Parliament upon the method of consultation or the status of such Indian nominees in relation to the Joint Committee."

I understand that you, Sir, have disallowed this as a Private Notice question. May I ask for your Ruling for the guidance of the House as to the grounds for such disallowance?

Mr. SPEAKER: It is not usual for an hon. Member to ask me a point of Order regarding a question which I have disallowed. As the right hon. Gentleman has said that he has asked me as a matter for the guidance of the House, I can but answer in that spirit, but I hope that it will be for the guidance of the House. The House, I think, is very well aware of the Rules which govern questions and the Rules which govern questions which are submitted by Private Notice. It is always for me to be the judge as to whether I consider questions submitted to me by Private Notice to be of sufficient urgency to be asked by that means and not put upon the Paper in the ordinary way. I came to the conclusion, after carefully considering the question which the right hon. Gentleman submitted to me, that it might equally well be put upon the Paper in the ordinary way and answered in the ordinary way on Monday.

Mr. CHURCHILL: Further to the point of Order, and upon the question of urgency, may I most respectfully submit that this question raises considerable constitutional issues, and, if invitations are actually at this moment being issued to Indian nominees to participate in a conference, it is surely most important that they should not be issued under a misapprehension as to what Parliament may ultimately decide as to the status of these Indian nominees, or otherwise grave inconvenience and even disappointment may arise at a later stage.

Mr. SPEAKER: I am not prepared to argue the urgency of this question. I came to the conclusion, which I still hold, that the question could have been put upon the Paper in the ordinary way.

Mr. CHURCHILL: Naturally, Sir, I bow to your Ruling.

NEW MEMBER SWORN.

William Dobbie, esquire, for the Borough of Rotherham.

STANDING COMMITTEES.

Ordered, "That all Standing Committees have leave to print and circulate with the Votes the Minutes of their Proceedings and any amended Clauses of the Bills committed to them."—[*Sir Cyril Cobb.*]

PROTECTION OF ANIMALS (AMENDMENT) BILL.

Order for Second Reading upon Friday, 10th March, read, and discharged; Bill withdrawn.

PRIVATE LEGISLATION PROCEDURE (SCOTLAND) BILL,

"to improve and extend the procedure under the Private Legislation Procedure (Scotland) Act, 1899," presented by Sir Godfrey Collins; supported by the Lord Advocate, the Solicitor-General for Scotland, and Mr. Skelton; to be read a Second time upon Tuesday next, and to be printed. [Bill 65.]

WRITTEN ANSWERS.

SECONDARY SCHOOL FEES, YORKSHIRE.

Mr. HEPWORTH asked the Parliamentary Secretary to the Board of Education the school fees for secondary school pupils which have been approved in Yorkshire by the Board of Education as a result of Circular 1421, giving the actual figures in each case?

Mr. RAMSBOTHAM: The following table gives the particulars for which my hon. Friend asks.

I. *Areas in which the Authority's proposals under Circular* 1421 *have been finally approved :—* (The numbers in brackets show the numbers of Schools with tuition fees as stated).

—	Previous Fee.	New Fee.
	£ s. d.	£ s. d.
Bradford	10 5 0 (10)	No change (10)
Halifax	15 15 0 (1)	No change (2)
	22 1 0 (1)	
Huddersfield	6 6 0 (4)	9 9 0 (4)
Leeds	4 4 0 (1)	5 5 0 (1)
	6 6 0 (2)	8 8 0 (2)
	9 9 0 (2)	10 10 0 (2)
	15 15 0 (2)	18 18 0 (2)
	18 18 0 (3)	No change (3)
Sheffield	Free (5)	7 10 0 (5)
	18 18 0 (1)	No change (1)

II. *Areas in which the fee arrangements have been agreed to, subject to satisfactory proposals being submitted on other matters covered by Circular* 1421 :—

—	Previous Fee.	New Fee.
	£ s. d.	£ s. d.
Yorks, East Riding	15 15 0 (2)	No change (4)
	16 10 0 (1)	
	18 18 0 (1)	
Kingston-on-Hull	3 0 0 (1)	6 6 0 (1)
	3 6 0 (2)	6 6 0 (2)
	9 9 0 (1)	No change (1)
York	12 12 0 (2)	No change (3)
	15 15 0 (1)	
Yorks, North Riding	9 9 0 (12)	No change (14)
	12 0 0 (1)	
	12 12 0 (1)	
Middlesbrough	9 9 0 (3)	No change (3)
Yorks, West Riding	9 9 0 (44)	No change (49)
	9 16 6 (2)	
	10 10 0 (2)	
	11 4 0 (1)	
Barnsley	9 9 0 (1)	No change (2)
	10 10 0 (1)	
Dewsbury	10 0 0 (2)	No change (2)
Doncaster	12 0 0 (2)	No change (2)
Rotherham	9 9 0 (2)	No change (2)
Wakefield	6 6 0 (2)	9 9 0 (2)

TRADE AND COMMERCE.

Potatoes (Import Duty).

Lieut.-Colonel MOORE asked the Minister of Agriculture whether, in view of the heavy importations of foreign potatoes, which occurred in the months of June and July last year, he intends to take any action to ensure that the tariff on imported potatoes shall, during the present year, be maintained until the end of August at least?

Major ELLIOT: The duty of 4s. 8d. per cwt. on imported foreign early potatoes will be replaced by a duty of £1 per ton on 1st July. As my hon. and gallant Friend is aware, the question of recommending any additional duty is one for the Import Duties Advisory Committee, which has announced in the Press this morning that an application for an additional duty on potatoes is at present under consideration.

FLOUR CONTRACTS.

Mr. HARVEY asked the President of the Board of Trade if he is aware of the nature of the contract for flour supplies pressed upon London flour factors by the Millers' Mutual Association before supplies are sent to them; and what action he intends to take to prevent such contracts impairing the effects of the Ottawa Agreement regarding Canadian and Australian flour imports?

Mr. RUNCIMAN: My attention has been called to the form of agreement into which millers are asking London flour factors dealing with them to enter. I understand that the Millers' Mutual Association as such are not parties to the agreement. I have not been able to see any ground on which I should be justified in intervening.

FOOD COUNCIL.

Mr. HARVEY asked the President of the Board of Trade what was the total cost for the year 1932 of the Food Council; and will he now take steps to dispense with this Department as redundant.

Mr. RUNCIMAN: The total cost of the Food Council for the calendar year 1932, excluding miscellaneous items such as office accommodation and postal and telephone services, the cost of which is not readily available, was £945. The answer to the second part of the question is in the negative.

UNEMPLOYMENT.

STATISTICS.

Mr. GLEDHILL asked the Minister of Labour the number of young persons added to the register during the last 12 months; the number of old persons in receipt of pensions who still continue to work; and the number of married women in receipt of unemployment benefit whose husbands are working?

Sir H. BETTERTON: Between 25th January, 1932, and 23rd January, 1933, there was an increase of 9,495 in the number of juveniles and young persons, aged 14 to 20 inclusive, on the registers of Employment Exchanges in Great Britain. As regards the number of persons in receipt of old age pensions who continue to work, I would refer my hon. Friend to the reply given on 27th October, 1932, by my right hon. Friend the Minister of Health to the question put by the hon. Member for Oldham. Statistics are not available regarding the number of married women in receipt of unemployment benefit whose husbands are working.

Mr. LAWSON asked the Minister of Labour the number of persons estimated to have ceased to register as a result of recent legislative changes?

Sir H. BETTERTON: I would refer the hon. Member to the reply which I gave on 27th October, 1932, to a question on this subject by the hon. Member for Aberdare (Mr. G. Hall).

ANOMALIES ACT.

Mr. BUCHANAN asked the Minister of Labour if he is aware that seasonal workers who are refused benefit under the Anomalies Act have almost all got the stamp qualification for benefit and when refused have, in many cases, no resources of their own; and if he will make provision in the forthcoming legislation to allow them to benefit and so prevent them becoming a charge on the Poor Law?

Sir H. BETTERTON: I am afraid I cannot adopt this suggestion, which would amount to the repeal of the Anomalies Act in respect of these workers.

Mr. BUCHANAN asked the Minister of Labour if he has recently made any administrative changes in the working of the Anomalies Act; if so, the nature of the same; what requests he has received from any members of the advisory committee under the above Act for any changes to be made; when he received any such request; and the nature of the same?

Sir H. BETTERTON: The answer to the first part of the question is in the negative. It is not the function of the advisory committee to make requests such as those referred to in the question, and I have in fact received no such requests from it.

COURTS OF REFEREES, GLASGOW.

Mr. BUCHANAN asked the Minister of Labour if he proposes to make any changes in the chairmen of courts of referees in the City of Glasgow, seeing that the period for reappointment is now about due; and the nature of the same?

Sir H. BETTERTON: I know of no reason at present for making any such changes.

DARLINGTON.

Mr. T. WILLIAMS asked the Minister of Labour how many persons were registered as unemployed at Darlington on 20th January, 1932, and 23rd January, 1933; and the number of unemployed who no longer sign on at the Exchange?

Sir H. BETTERTON: At 25th January, 1932, the number of unemployed persons on the register of the Darlington Employment Exchange was 6,433 as compared with 7,824 at 23rd January, 1933. I have no information as to the number of unemployed persons not registered.

TRAINING CENTRES (INSTRUCTORS).

Sir W. SUGDEN asked the Minister of Labour if he will arrange for the present conditions of employment of ex-service instructional staff employed in the various instructional centres to be reviewed at an early date, on the basis of a memorandum already submitted by the Association of Ex-Service Civil Servants; and whether negotiations can be opened up thereon?

Sir H. BETTERTON: The Memorandum referred to by my hon. Friend relates to a number of general issues affecting the conditions of service of instructors on the staffs of the Ministry of Labour Government Training Centres. The membership, however, of the Association of Ex-Service Civil Servants at these centres is not such as would entitle it to recognition as representing the staffs in question on general issues. The Department are so informing the association, to whom nevertheless it will be open as hitherto to make representations on individual cases.

TRANSITIONAL PAYMENTS.

Mr. LAWSON asked the Minister of Labour the number of persons now receiving transitional payment in Great Britain?

Sir H. BETTERTON: At 23rd January, 1933, there were 1,074,705 persons on the registers of Employment Exchanges in Great Britain with applications authorised for transitional payment.

SWANSEA.

Mr. D. GRENFELL asked the Minister of Labour the figures of unemployment for the Swansea area for January, 1930, January, 1931, January, 1932, and January, 1933?

Sir H. BETTERTON: The following table shows the number of unemployed persons (insured and uninsured) on the registers of the Swansea Employment Exchanges.

Date.	Number.
13th January, 1930	7,521
12th January, 1931	11,771
25th January, 1932	13,082
23rd January, 1933	13,228

GLAMORGAN, MONMOUTH, CARMARTHEN AND BRECON.

Mr. D. GRENFELL asked the Minister of Labour the figures of unemployment for the counties of Glamorgan, Monmouth, Carmarthen and Brecon, respectively, for August, 1931, and for the latest available date?

Sir H. BETTERTON: The following table shows the number of unemployed persons on the registers of Employment Exchanges in the counties of Glamorgan, Monmouth, Carmarthen and Brecon.

County.	17th August, 1931.	23rd January, 1933.
	No.	No.
Glamorgan ...	125,417	140,926
Monmouth ...	33,663	44,703
Carmarthen...	10,[illegible]59	9.368
Brecon ...	2,019	3,314

BRITISH ARMY.

TECHNICAL APPOINTMENTS.

Sir E. GRAHAM-LITTLE asked the Financial Secretary to the War Office whether, when the scales of remuneration for junior assistant metallurgists and for junior assistant chemists in the War Department establishments were introduced in 1925 and 1920, respectively, with the agreement of the out-station committee of the War Office Administrative Whitley Council, it was contemplated by his Department that those scales should be open at the initial salary to men up to the ages of 35 and 27, respectively; and whether it was contemplated that university honours degrees should be a condition of such appointments at an initial basic salary of £160 per annum?

Mr. COOPER: So far as can be traced, no particular upper age limits of entry for these appointments were in contemplation, and, in fact, it is not the usual practice to specify any age limits in advertisements for candidates for these posts. The answer to the last part of the question is in the affirmative.

SCOTTISH COMMAND (COLONEL WATKINS).

Mr. McGOVERN asked the Financial Secretary to the War Office when, and in what circumstances, Colonel Watkins vacated the post of paymaster in the Scottish Command?

Mr. COOPER: This officer retired from the active list at his own request on 5th January last.

ARMY RESERVE (PAY).

Mr. HUTCHISON asked the Financial Secretary to the War Office whether he will arrange for the payments to men in the Army Reserve to be made weekly instead of quarterly, in order to regularise their weekly income?

Mr. COOPER: I regret that any alteration would be impracticable owing to the large amount of work and expense that would be involved.

INDIA.

MEERUT PRISONERS.

Dr. SALTER asked the Secretary of State for India (1) whether he is aware that the placing of the Meerut prisoners in Class B is in respect of their food and clothing only; that the other privileges of Class B, such as reading and writing, are denied them; that these conditions are hampering the prisoners in the preparation of their appeal to the high court; and if, in view of the social and educational status of the prisoners, he will arrange for their transfer to Class A;

(2) whether he is aware that the Meerut prisoners are without socks, boots, underwear, hats and sufficient bedding; that, as a result of the severe cold, several of the prisoners have been down with fever; and whether he will give directions that better provision shall be made for them?

Sir S. HOARE: As I have already informed the House, the prisoners have definitely been placed in "B" class by order of the local government, and they are receiving the treatment laid down for prisoners in that class. I am not prepared to accept as accurate the statements contained in the questions. I can assure the hon. Member that the prisoners will be given such facilities as may be proper for the preparation of their appeals.

UNIVERSITIES (MILITARY SCIENCE).

Major MILNER asked the Secretary of State for India whether the Government of India propose to take any steps with a view to encouraging the introduction of military science as an extra optional subject of study in Indian universities; and what universities have already introduced the subject into their curricula?

Sir S. HOARE: I have no information, but I will inquire if the hon. and gallant Member wishes.

RESERVE BANK.

Major MILNER asked the Secretary of State for India whether His Majesty's Government or the Government of India have taken any steps to draft the Reserve Bank Bill; and what procedure it is proposed to adopt with a view to implementing the promise made at the Round Table Conference that Indian opinion will be consulted before the Bill is placed before the Legislative Assembly?

Sir S. HOARE: I would refer the hon. and gallant Member to the reply given on 27th February to the hon. Member for Gower (Mr. D. Grenfell), to which I have nothing to add.

ARMY EXPENDITURE.

Captain FULLER asked the Secretary of State for India what contributions are paid by Indian States towards the expenses of the British Army and Indian Army apart from the cost of their own military forces?

Sir S. HOARE: No such contributions are paid directly by the Indian States, but they contribute indirectly to the military expenditure of the Government of India in a number of ways.

COAL INDUSTRY (ROYALTIES, DURHAM).

Mr. LAWSON asked the Secretary for Mines the total amount of royalty paid on coal produced in the county of Durham in the last year for which a statement is available; and the names of such royalty owners and the respective amounts drawn by them during the year?

Mr. E. BROWN: During the year 1932, the estimated amount paid by colliery owners in Durham in royalties and wayleaves, including the rental value of freehold minerals where worked by the proprietors, was £659,000. I am unable to give the information asked for in the second part of the question.

PUBLIC WORKS LOANS.

YORKSHIRE.

Mr. HEPWORTH asked the Minister of Health the number and nature of the applications which have been put forward in the last six months by each of the different local authorities in Yorkshire for sanction to loans for public works with the object of directly or indirectly relieving unemployment; and whether he will in each case state the official answer?

Sir H. YOUNG: No applications have been put forward expressly for works for the relief of unemployment. A number of loans in Yorkshire have been sanctioned for public works but separate returns are not kept for local authorities by counties. The total loans sanctioned for England and Wales, including housing loans, from the beginning of April, 1932, to the end of January was £34,300,000.

WOLVERHAMPTON AND DISTRICT.

Mr. MANDER asked the Minister of Health what schemes contemplated by the county borough of Wolverhampton and the urban district councils of Willenhall, Wednesfield, and Short Heath were held up as a result of the economy policy following the crisis of 1931, with full details?

Sir H. YOUNG: The only application for loan refused by me appears to be one for a loan of £7,000 for council offices and a fire station at Willenhall. The scheme had already been the subject of a local inquiry and had been reported as not urgently needed.

HOUSING (RURAL WORKERS).

Sir P. HURD asked the Minister of Health if he will issue a statement of houses dealt with under the Housing (Rural Workers) Act, 1926, showing the result in each housing area and the cost to the rates?

Sir H. YOUNG: I am sending my hon. Friend a statement for England and Wales of the particulars which he desires so far as they are available.

REGISTRAR-GENERAL'S OFFICE (CERTIFICATES, CHECKING).

Mr. RHYS DAVIES asked the Minister of Health whether he is aware that the final check on the validity of certificates of births, marriages and deaths issued by the Registrar-General is left to the typists to undertake in the ordinary course of their duties; and whether he will see to it that in future experienced officers are appointed to be responsible for this work?

Sir H. YOUNG: I can hardly accept the hon. Member's description of the duties of the typists in question. The nature and scope of the checks to be applied in the preparation of certified copies of birth, death and marriage entries for issue by the Registrar-General are, however, now under consideration.

POOR LAW RELIEF (LIVERPOOL).

Mr. LOGAN asked the Minister of Health the estimated expenditure for public assistance during the year 1932-33 in Liverpool and the estimate for the year 1933-34?

Sir H. YOUNG: This information is not in my possession.

GOLD (HOLDING, BANK OF ENGLAND).

Mr. O'CONNOR asked the Chancellor of the Exchequer whether his attention has been called to the fact that the recent additions to the gold holding of the Bank of England have created an erroneous impression in the United States of America as to the gold resources at the disposal of the Government; and whether, with a view to correcting this impression, he will arrange in future for a weekly statement to be issued showing the amount of gold which is held in the Issue Department of the Bank of England on behalf of the Exchange Equalisation Fund?

Mr. CHAMBERLAIN: My attention had not been drawn to the circumstances mentioned in the first part of the question, but I have in fact made it clear in a recent answer that the acquisitions of gold were connected with the temporary inflow into this market of foreign funds which may be withdrawn at any time. In reply to the second part of the question, gold shown in the weekly returns of the Bank of England is held by the Issue Department as its own property. I cannot undertake to publish particulars of the holdings of the Exchange Equalisation Account.

NIGHT-WORK (WOMEN).

Mr. MANDER asked the Home Secretary what action he is taking with regard to the request to receive a deputation concerning the Night-Work for Women Convention?

Sir J. GILMOUR: I have carefully considered the request that a deputation of women's organisations should be received to discuss the situation arising out of the Advisory Opinion of the Permanent Court of International Justice on the International Labour Convention concerning the employment of women during the night. I would point out that the decision of the International Court does not appear to create any new situation so far as this country is concerned. The Court endorsed the view previously put forward by the British Government that the Convention applies to women holding responsible positions of management and His Majesty's Government propose to recommend to the Governing Body in April that the British proposal to amend the Convention so as to exempt such women should, in view of the Court's decision, again be brought before the International Labour Conference. Moreover, the general view which I understand to be held in these organisations that restrictions such as are prescribed under this Convention should not be applied to women unless also applied to men, has been fully represented by previous deputations at the Home Office. In these circumstances, I doubt whether any useful purpose would be served by receiving a further deputation; and I have sent a reply to that effect, drawing attention to the above considerations.

CORONERS.

Mr. BRACKEN asked the Home Secretary whether, in view of the discontent aroused by proceedings in coroners' courts, he will appoint a Departmental Committee to review the powers and functions of Coroners?

Sir J. GILMOUR: I am aware that from time to time the conduct of inquests by coroners has been the subject of criticism, but, as at present advised, I do not think it is necessary to appoint a Departmental Committee as suggested by my hon. Friend.

ORDERS OF THE DAY.

SUPPLY.

[2ND ALLOTTED DAY.]

Resolution [27th February] reported.

CIVIL ESTIMATES AND ESTIMATES FOR REVENUE DEPARTMENTS, 1933 (VOTE ON ACCOUNT).

"That a sum, not exceeding £156,423,000, be granted to His Majesty, on account, for or towards defraying the Charges for the following Civil and Revenue Departments (including Pensions, Education, Insurance and other Grants, and Exchequer Contributions to Local Revenues) for the year ending on the 31st day of March, 1934."—

[*For details of Vote on Account, see* OFFICIAL REPORT, 27th February, 1933; cols. 31-34.]

Resolution read a Second time.

UNEMPLOYMENT.

3.55 p.m.

Mr. T. WILLIAMS: I beg to move, to leave out "£156,423,000," and to insert instead thereof "£156,422,900."

After the event which we have just witnessed, namely, the very emphatic reply from Rotherham to the action of the Government with regard to the administration of the means test, this Debate ought to be of great interest to hon. Members opposite, and particularly to industrial Members who must recognise that they no longer represent the views of their divisions. In view of the statement which has been made that the Minister of Labour is to tell us about the work schemes which the Government have in hand, I am looking forward with great interest to the speech of the right hon. Gentleman. I regret very much that the Minister could not have preceded me. Several Debates have taken place upon the question of work finding and the problem of unemployment generally, and this Debate was intended to be one to deal exclusively with the question of administration. Nevertheless, we shall welcome the statement which we understand is to be forthcoming from the Minister, and in all probability the course of the Debate will change when the right hon. Gentleman has imparted his cheery optimism and has indicated what schemes the Prime Minister had in his mind when he spoke. I would ask the right hon. Gentleman whether it is his intention to make his speech upon schemes and proposals which the Government have produced to find work for those who are disengaged? If that is the case I am sure that all of us will be interested, especially after the chorus of despair to which we had to listen a few weeks ago in this House.

I wish to deal with one or two questions which are exclusively points of administration for which the right hon. Gentleman is responsible. His is a vast Department catering for approximately 12,000,000 people, and dealing with tens of thousands of Employment Exchanges, and questions ranging from unemployment grants to hours of labour, juvenile training, and the administration of the means test. It would not be out of place to have a general picture of the unemployment situation before our minds. The figures given by the right hon. Gentleman to-day indicate that we have 2,380,000 people wholly unemployed, and I would invite hon. Gentlemen to recognise that the number of wholly unemployed is constantly increasing, and the more rapidly since the present Government took office. There are partially unemployed approximately 520,000, making in all, with those who no longer sign on at the Employment Exchanges, approximately 400,000 more than when the present Government took office. That perhaps is not the worst side of the case. The right hon. Gentleman will observe that, month after month, the number o hard cases, of persons who have been unemployed for more than 12 months, ha continually increased, so much so tha instead of the 100,000 18 months ago, according to the figures of the Ministr of Labour, there are now 400,000 peopl who have been unemployed for a perio of at least 12 months. That is a situatio which we cannot view with equanimity and, in view of certain statements mad by the Prime Minister and the Chan cellor of the Exchequer, the statemen which the Minister is to make will b welcomed if it tends to reduce th abnormal number of people who hav been out of work for 12 continuou months.

Then the number of transitional case continues to increase. I notice tha between January, 1932, and January 1933, there is an increase in the numbe transferred from the Employment Exchanges to the Poor Law authorities o no less than 268,000, or a total in transition of 1,174,000. The right hon. Gentleman will know without my wasting the time of the House how this problem is affecting certain districts. In Glamorgan, for instance, 42 per cent.; in Monmouthshire, 45.8 per cent.; in Durham, 44 per cent.; in Middlesbrough, 48 per cent.; and in Sheffield, 40 per cent. of the workpeople are unemployed. As a result of this vast increase in the army of unemployed, local authorities all over the country are groaning under burdens which many of them are unable o bear. Since the right hon. Gentleman and the Government took office we have been producing paupers at an alarming rate. I think that the Government have been chiefly successful in that they have produced paupers at a quicker rate than ny other Government has ever produced hem.

The question of Poor Law relief is an qually serious one, I repeat, for Poor Law authorities, and I want to point out that while the average number per 10,000 f the population all over the country ersistently increases, it has increased t a more alarming rate since this Government came into office than at any ime prior to that. In Lincoln, for intance—and the Government are to an xtent responsible for these figures by heir attitude to Russia—out of every 0,000 persons resident in that ancient ty, 1,410 are in receipt of public assistance; that is, out of every 100, no fewer han 14 are paupers. At Liverpool the umber is 901 out of every 10,000, in heffield 1,141, in Manchester 735, and in arnsley 907. The point I want to mphasise is that the Government have tremendous responsibility for dealing ith the problem of unemployment, and r seeing that our large local authorities re not sent into a state of insolvency.

The first question I want to ask the ght hon. Gentleman, therefore, is, hat steps, if any, are the Government king to assist local authorities when ey are burdened with increased sponsibilities by the administration of e means test? The right hon. Gentlean knows that it is a mere transfer om national funds to local funds, and also knows that rate burdens are real rdens upon industry, because they ve to be paid out of industry, while, any rate, Income Tax is not paid unless the income has actually been obtained. Will he tell us, therefore, when he comes to reply, just what assistance is going to be made available to places such as Liverpool, Manchester, Barnsley, Lincoln and the rest which are confronted with a Poor Law rate of anything from 6s. to 7s. or 8s. in the pound, while residential areas, where are the homes of the people who make the profits but never live in industrial areas, are approximately rated at 9d. or 10d.

The next thing to which I want to refer is the very cheery statement made by the Chancellor of the Exchequer a fortnight ago. Although the Government were returned in order to restore industrial prosperity, indeed to resolve all the problems confronting the State and nearly all the world, the figures given us show that the situation to-day is infinitely worse than when the present Government took office. The Prime Minister talked about 2,000,000 men whom he termed "scrap," but the Chancellor of the Exchequer was, if I may say so, much more honest than many hon. and right hon. Gentlemen when they are talking about this question of unemployment, for if the Chancellor visualises a perpetuation of this profit-making system, which has no relation to human needs or human desires, I agree with him that there will be no material reduction in the army of unemployed within 10 years. Indeed the Chancellor went on to state:

> "If anybody expressed any hope that improvement was in sight or was about to set in that could only be set down to a sort of dogged optimism which refused to take into account the evidence."

Well, the Chancellor has got the evidence, and he gives little or no hope either to the unemployed or to those who may presently be unemployed. Again he said:

> "There must be a transition period in which things will be very difficult and unemployment will be largely increased."—[Official Report, 16th February, 1933; cols. 1216 and 1223, Vol. 274.]

He went on to suggest that four things were required—restoration of confidence, increase in wholesale prices, cheap money and international co-operation. If you increase the prices of commodities to be purchased by the unemployed, whose benefits you have reduced by 10 per cent., will you create confidence in the hearts and minds of the 3,000,000 unemployed?

[Mr. Williams.]

The Chancellor states that we must have international co-operation. Having watched this Government very closely during the past 18 months, it seems to me that if they have been striving for anything at all, it has been nothing but international isolation. They have done their best to prevent any sort of movement in trade. Whenever an international movement in trade has been proposed for dealing even remotely with this colossal human problem, the Government have done their very best to prevent any progress being made. We have been told by Ministers that all these work schemes are hopeless failures. Export credits, unemployment grants, housing, drainage, roads and so forth are of no service in this problem. The Government have economised on wages, work schemes and the rest, and they have added approximately £30,000,000 or £40,000,000 in direct taxation on the consumers of the country, and to that extent have reduced the spending power of the poorest of the poor.

If, as the Chancellor truly states, there is no likelihood of any material reduction during the next 10 years in the army of unemployed, what are they going to do with the unemployed if they are unwilling to do anything for them? Twelive months or so ago the International Federation of Trade Unions raised at Geneva the question of the 40-hour week. It was at that time turned down by two votes. Italy resurrected the question later, and it found its way on the agenda of the Preparatory Conference for Technical Problems. A representative of the Government went to Geneva and represented the British Government's point of view. When we challenged the right hon. Gentleman by stating that his instructions must have been to oppose the 40-hour proposal by any and every means, the right hon. Gentleman engendered some heat and indeed, on occasion, some indignation. The Chancellor of the Exchequer, a fortnight ago, read out the following quotation:

> " The British Government delegate stated that his Government considered that the question of the compulsory limitation of the hours of work to 40 a week had not yet been sufficiently examined to warrant a definite conclusion being reached, and that therefore his Government were opposed to proceeding at the present time with the project of a draft convention. He pressed for a comprehensive inquiry into the whole question before any definite action was taken."—[OFFICIAL REPORT, 10th February, 1933 col. 1224, Vol. 274.]

When the Chancellor quoted that h appeared to think that it was conclusiv and that the Government had not in fac opposed the 40-hour Convention. I wil give another quotation. I will not selec a sentence or two from the context, an I apologise in advance for a long quotation, because I want to give the fu statement made in " Industrial an Labour Information," published by th International Labour Office, League c Nations. This was the statement mad by Mr. Norman, the Government representative, when intervening in the di cussion. Mr. Norman said:

> " At this stage he would deal only wit that aspect of the problem which related t wages. Grave as was unemployment, it wa necessary to bear in mind that the numbe of employed persons still exceeded the num ber of unemployed, and any proposal likel to result in lowering the standard of li of those now in employment ought to b subjected to the most critical examinatio The British workers were in favour of reduction of hours provided that it was n accompanied by a reduction of individu earnings. The generality of British en ployers, for a variety of reasons—technica financial, economic, etc.—were opposed t the imposition of a 40-hour week by legi lation; further, if legislation were impose they held that they would find it impo sible to retain earnings at their prese level, and would be compelled to reduce t individual earnings of the employed peopl If in these circumstances the British Go ernment did impose a limitation of hou to 40 per week, the result would be indu trial strife over wages, the setting aside collective agreements, confusion and co troversy of a very dangerous kind. Th being so, the lot of the unemployed wou not be assisted in any degree."

He concluded:

> " It had been proved conclusively by D Sitzler, in an article which appeared in t December issue of the International Labo Review, that in present circumstances would be hopeless to attempt by intern tional convention or by national legislati to control wage rates so as to prevent ear ings from being reduced coincidently wi hours. Apart from technical, economic a other obstacles in the way of an acceptal 40-hour Convention at the present time, t wage difficulty was conclusive. The Briti Government therefore suggested that t Conference should look to other and mo helpful fields of inquiry and not waste ti and energy in pursuing the phantom of 40-hour Convention."

I would ask whether that statement do not represent the point of view of M Norman and, presumably, of the Minist of Labour and the whole of the Gover ment. They are entirely opposed to a 40-hour week. While every other industrial State in the Conference voted for the second of the two resolutions at Geneva, the British Government, the most important one in Europe, was the only Government to oppose that second resolution. That is by no means a new standpoint for the Conservative party. When we listen to the Minister of Labour we always feel that he is the very essence of sincerity, but we cannot forget the attitude of the Conservative party when they were in office from 1918 onwards. We had the Eight Hours' Convention which was passed at Washington in 1919. Did the Conservative Government do anything to ratify that Convention at that time? No. We had also a Conservative Government in 1923. Did they take any action to examine the problem, or even to think about it? Dominated then, as they are to-day, by representatives of the employers, they did nothing. We had a Conservative Government from 1924 to 1929. What action did the Minister of Labour at that time take to initiate an inquiry so that the delicate agreements on wages and hours could be carefully examined and the problems smoothed out and the Government could ratify the Washington Convention? They did nothing. They never even felt that they ought to take any steps in that direction. They left office in 1929 with nothing done in regard to hours, because they had not in the Government a Minister of foresight or any person capable of visualising the problem.

Sir ARTHUR STEEL-MAITLAND: As the hon. Member has referred to me, may ask why, in those circumstances, the ucceeding Socialist Minister of Labour rst undertook to ratify and then in the urse of two years did not do so?

Mr. WILLIAMS: I am much obliged the right hon. Gentleman for having ised that point and I will deal with , but the point at the moment is this —[*Laughter.*] If hon. Members will ntain their souls in patience for two three seconds, I will turn to the right n. Gentleman's question. Perhaps it puld satisfy hon. Members and check eir amusement if I deal with the point w. The moment that the Labour Government took office one of the first oblems with which they tried to deal was the problem of the Washington Convention. Sir William Jowitt spent a month with his coat off, so to speak, dealing with the problem. [*Interruption.*] Well, at all events, the Labour Government produced a Bill, and we said then, as we say to-day, that as near as it is humanly possible to obtain agreement on such a comprehensive Measure outside a Committee room of the House of Commons, agreement was obtained, and it only required numerical strength in the House of Commons to carry it.

Mr. MANDER: You had that, but you never gave it a Second Reading.

Mr. WILLIAMS: The hon. Member for East Wolverhampton (Mr. Mander) has pursued this question very tenaciously, and I am proud of his persistence, because I am equally persistent, but I would remind the hon. Member that in 1929-30 he did not control the Liberal party. He could never guarantee that the Government of that day had behind it sufficient Members of the Liberal party, with the Members of the Labour party, to make a majority and to carry the Bill. There was another reason why we did not carry the Bill, and that was that we were not aware at that time that we had so many Conservative Ministers in the Labour Government. Whatever the right hon. Gentleman may say, he must bear that fact in mind. We have had to shed a good many of our misfortunes which prevented action on that occasion. Let me summarise the position. From 1918-1922 nothing was done in regard to ratifying the Convention. In 1923 nothing was done. From 1924 to 1929 nothing was done, and now in 1933, with 30,000,000 unemployed, for 3,000,000 of whom we are responsible, when a proposal is made for a 40 hours week, the right hon. Gentleman says that we cannot deal with that matter because we have not had time to consider it.

It appears that the Government are anxious to do as little for the unemployed as possible, if their actions are a true guide. Three or four weeks ago the right hon. Gentleman made a statement in the House that in the short space of time before July there is no hope of examining this problem and making a good job of it at Geneva in July. Is that to be the Government's attitude towards the Convention? Have they

[Mr. Williams.]

made up their minds in advance that they are going to be as unhelpful as they possibly can? Germany and the other Governments are anxious for such a proposal. Their representatives spoke in support of it. Are we to be the only Government who have no desire to deal with the new social problems which have arisen, and which will have to be dealt with sooner or later?

I know the old argument. It will be equivalent to the argument that was raised when the hours were 10 per day. It was then said that the employer depended upon the last hour for his profit and that if we reduced the working day from 10 hours to nine we should rob the employer of his profit. The same statement was made when the hours were nine. We are now down to eight hours a day. Those reductions were made on ethical and humanitarian grounds, but future reductions will have to be made on social grounds. When one visualises the effect upon juveniles between the ages of 14 and 21, for whom no adequate arrangements can be made, it becomes a real social necessity for us to examine the advisability of an international convention on this subject. One of the four things which the Chancellor of the Exchequer considers to be necessary is international co-operation. Will the Minister of Labour take up the challenge of the Chancellor of the Exchequer and make a convention in regard to a 40 hours' week the starting point for international co-operation? If it is possible to have international cartels, international restrictions and the ramifications of international financiers, it ought not be impossible to have an international convention for the purpose of dealing with working hours.

My third point is this: What is the Minister going to do with the victims of an economic system over which they have no control? Transitional benefit has been administered now for 18 months and we have had a good deal of experience of it. Until recently in the West Riding of Yorkshire we had few complaints, but the situation has been different since the Minister intervened. He sent Mr. Basham to Rotherham and he helped to bash the Government in the by-election there. The West Riding County Council have been told that unless they administer transitional benefit mor
harshly—that was not the actual wor
used—or more in accordance with th
Order in Council, the right hon. Gentl
man will have no alternative but t
supersede them. The West Ridin
County Council, dominated by Co
servative and Liberal members, not wis
ing to undergo the indignity of supe
session, responded to the threat of th
right hon. Gentleman. They set up
sub-committee to consider the questio
and see what could be done. That su
committee has made certain recommend
tions and there are two paragraphs
their report which finally and definite
demonstrate that transitional administr
tion means a destitution test. Whatev
the right hon. Gentleman may say,
will be difficult for him to escape fro
the words in the sub-committee's repo
where they say:

> "Your sub-committee deem it essenti
> to remind the public assistance committe
> and through them the several guardian
> committees, that in the administration
> relief there is no authority to do more th
> relieve destitution, and any allowance whi
> may be more than sufficient for that purpo
> is illegal, and the scale suggested in t
> restrictions recommended has been form
> lated with due regard to the legal limit
> tions imposed."

In another paragraph the sub-committ
say:

> "Such restrictions, if imposed, would
> directed primarily to applications f
> public assistance, but they would ha
> equal effect upon applications for tran
> tional payments."

Therefore, it is a pure, unadulterat
destitution test that is being applied, a
we have had some early results of it
the West Riding. For approximately
months I do not think I have h
occasion to write one letter to t
Minister of Labour or his Department,
his officers, for whom I have very p
found respect, complaining of
administration, but the moment
Minister insists upon the West Rid
County Council going near to the let
of the Order in Council, we find that
the Don Valley area 25 per cent. of t
total cases have been re-examined in t
light of the recommendations of
sub-committee. If the remaining 75
cent. of the cases for examination
dealt with similarly, the increase
determinations where the applic
receives nothing at all will be rou
about 14 or 15 per cent.

I want to give a few cases and to ask the right hon. Gentleman and hon. Members whether they really think that these determinations should have called for the threat of supersession from the Minister of Labour. Here is a case of a miner working one week out of every two, through no fault of his own. It is an order of the management and presumably it is suitable to them. There is the man and wife and the gross earnings, according to the colliery wage return, have been £1 5s. 3d. per week. The deductions at the colliery for rent and other stoppages is 13s. 6d., leaving the man with only 11s. 9d. to take home each week. The public assistance committee therefore granted the man 10s. a week, r slightly less than the maximum benefit payable. He had, therefore, £1 1s. 9d. a week to keep himself and his wife, to provide clothing and to meet all the needs f the home. Does the right hon. Gentleman think that such a person is not ntitled to 10s. a week? I ask any hon. Member to put that question to himself. ow that the county council have devised scheme what is that man's position? e works at the colliery for one week but unable to work the next week through o fault of his own. His net receipts rom the colliery are 11s. 9d. a week. Can he right hon. Gentleman or any hon. Member say that men are going to continue working down the coal mines for s. a week. After having paid their eekly contributions, as they must by w, to be denied the right of receiving ny sort of benefit, is the last word in ggravation and is calculated to produce n atmosphere that will reflect itself dversely, sooner or later.

Here is another case of a man who has wife and two children. He works one eek in two and his earnings average 30s. r week. The deductions for rent and her stoppages amount to 15s. 5d., leavg 14s. 7d. for the man, his wife and o children. The public assistance committee awarded 12s. transitional payment. that too much? It means 26s. 7d. per eek to maintain four persons. The ght hon. Gentleman and his Department think it is too much and have browaten the county council into taking it ay. Here is a man and wife and two ildren who are to maintain themselves 14s. 7d. per week. There is no reason, mmon sense or fair play, in an adminration of that character. Here is another case, a man and wife with three dependent children, two girls, one of 15 years and one of 17 years, and a boy 19 years. The man himself is unemployed, and the boy's earnings are £1 9s. 3d. per week. There are deductions amounting to 15s. 4d. for rent and other things, leaving the boy 14s. 6d. to take home each week. The public assistance committee have reduced this man's benefits, which ought to be £1 9s. 3d. per week, to 16s. per week. Therefore, a man and wife with three dependent children and two girls 15 and 17 and a boy of 19 working in the pit, eight persons in all, are now told that they must exist on 30s. 6d. per week.

That sort of thing will not bear scrutiny. I need hardly give further similar cases. If we are in the position which the Chancellor of the Exchequer suggests, that there is no hope for 3,000,000 people for 10 years and if this is the sort of treatment they are to expect from a National Government in their hour of direst need, I suggest that such conditions are calculated to create communism and rebellion, to which I am the last person to look forward with equanimity; but at the same time it does suggest to decent men that they may by force get better conditions than they do by decent conduct. I ask the right hon. Gentleman whether he thinks that this public assistance committee, this county council, or for that matter the Rotherham and Durham committees are doing their job as we would have them do it? Question and answer in this House have left hon. Members in a state of confusion. We do not know to whom we ought to appeal when we receive letters complaining of the methods of administration. Have we to write to the right hon. Gentleman or have we to write to the commissioner? We have reached a terrible stage if hon. Members have to write to a Commissioner, the employé of the Minister, to ascertain whether or not such methods are justified. The right hon. Gentleman told us that he gave the commissioner no instructions, he had no power, but in the next sentence he told us that the commissioner was responsible to the Minister of Labour. We want to know exactly who is responsible for this deadly work of the commissioner and to whom we may appeal when we find ourselves confronted with individual problems.

[Mr. Williams.]

I know that hon. Members are looking forward to hearing of the work schemes about which the Minister of Labour is to tell us and I will not, therefore, unduly prolong my speech. I should like to have made some observations with regard to juvenile training and educational facilities but I will conclude by asking the right hon. Gentleman to reply to three specific questions. Some local authorities have to budget for an annual expenditure and they do not know whether to estimate it at the rate of 4s. or 6s. If he can tell them, or give them a hint as to what the Government are going to do, whether the public assistance committee is to increase the rate up to 1s. and what assistance the Government is going to give; if he will enlighten them on that point then the chancellor of the exchequer of a local authority will be able to do his job more effectively. We also want to know whether Mr. Norman was speaking for the right hon. Gentleman, and that he has made up his mind that the Government are going to take no positive action to reduce the hours of labour in this country.

It is no longer an ethical or humanitarian problem, it is a great social problem. If you solve your problem of War Debts and Reparations, your currency problems, and many others, there is still the technocracy problem, the mechanical problem, which is producing unemployment daily and which must be dealt with in some way. You will have to consider how to reduce hours of work without reducing wages. You will have to share the work and increase the spending power of the working people. Instead of giving temporary educational facilities at juvenile centres we shall have to think of increasing the school leaving age. The Minister is responsible for hours of labour; and we want to know what his attitude is going to be. We want to know whether he considers the sort of administration now in progress in the West Riding justified, and if not whether he will tell the commissioner and the public assistance committee that they are too harsh with the people just as readily as he has told those people who he considered were too sympathetic towards poor miserable wretches who have been denied the right of earning their own livelihood.

4.48 p.m.

The MINISTER of LABOUR (Si
Henry Betterton): Let me congratulat
the hon. Member for the Don Valle
(Mr. T. Williams) on his speech and als
thank him for putting down this Vot
to-day. I do so for two reasons, on
because I want to say something abou
the work of the Department and
secondly, because I am glad to have a
opportunity of correcting some seriou
misapprehensions under which the hon
Member is labouring. If hon. Member
will be good enough to listen to th
answers I am going to give I think th
Debate will serve a useful purpose. I
regard to the work of the Departmen
the House will remember that when
was appointed some 18 months ago I expressed the view that the Ministry
Labour was too often regarded by th
public as merely a bureau for payin
benefit. I feel that the constructiv
work of the Department, about whic
the hon. Member for Chester-le-Stree
(Mr. Lawson) is just as proud as I an
is too little recognised and too littl
known. The Ministry of Labour is, i
some respects, in a different position
any other Department. Sometimes, as
result of highly controversial legislatio
which is passed, it may fall to the lot
the Ministry to administer the Act, an
when controversial questions arise th
Minister of Labour is the proper perso
to bear the responsibility for such a
ministration. In so far as I am co
cerned, I hope hon. Members do n
think that I have ever tried to shi
that responsibility.

A good deal of the work of the Mi
istry is not political at all and, furthe
more, a good deal of it would not b
possible unless we had the help and c
operation of many people quite i
dependent of any political consideration
who by their aid and assistance mak
our administration as helpful as it h
been. The hon. Member for the D
Valley said one thing with which I agre
He referred, pointedly, to the sympath
of the officials of the Ministry of Labo
in carrying out their duties. Having r
gard to the difficulties of their task, th
carry out their duties with a sympath
which is universally recognised, pa
ticularly towards that section of the co
munity which is most in need of it.

When the Ministry of Labour w
formed some 14 years ago one of t

principal duties, perhaps the principal duty, of the Department, in the eyes of those who set it up, was the placing in work and the finding of jobs for those out of work. That I still regard as one of the principal duties which the Department perform, and I can assure the House that we have spared no effort to develop that side of our work. It has been the subject of a constant and sustained effort throughout the whole of the last 18 months, and I am glad to say that I do detect a growing appreciation of the value of the employment exchanges, a value which is becoming more and more obvious. In the last two years we have found places for nearly 2,000,000 cases in each year. That to me is gratifying evidence of the usefulness of the work which we are trying to do. I will give just one example of the versatility of the Ministry of Labour in placing work. Last summer we had a request from the potato growers in Jersey to find them labour with which to get in their crop. Formerly it had been done by Frenchmen. One of our officials ook in hand the duty of recruiting for his work, and I saw a report of that work when it was completed; it was a most interesting document. The experiment was a complete success; the experience of all those who went to Jersey was satisfactory and out of the 3,000 who ere found places very few failed to ake good.

I want to say a few words about the venile placing. It is, of course, a uism to say that the most impressionble age in anyone's life is at the time leaving school. I suppose that almost Members of this House through the ance of circumstances were able to ake their own choice of the calling that ey proposed to follow; but there are any who are less fortunate, and it is ose whom we want to help, if we can, this juvenile placing work. Two ings are obviously necessary if you are help a boy or girl to get a job. First all we must know something of the aracter and capability of the boy or l, and, secondly, we must know the dustrial prospects of the district in ich the boy or girl lives. Through the al committees for juvenile employment have been able to do a work of very at value in assisting boys and girls, l in partnership with the local educan authorities we have been able to place a great many boys and girls in employment.

I would take this opportunity of paying a tribute to those public-spirited persons who have helped in this matter, and who have given much of their time to the work. In addition to the local committees for juvenile employment there is a committee in London, the London Juvenile Advisory Council, and there are special committees dealing with secondary school boys and girls, set up by the Ministry in co-operation with the two Associations of Headmasters and Headmistresses, both in London and in the provinces. The hon. Member for Chester-le-Street will remember that in England and Scotland there are also two national Advisory Councils which during the last five years have made many reports on this matter, which have been of the very greatest use to the Ministry and some of which have been accepted.

I want to speak about the question of training. It will be seen in the Estimates, on page 5, that there is an increase for the training of young unemployed men, and an increase for the improved course of instruction for unemployed juveniles. With regard to both of these Estimates, clearly in these days of financial stress and difficulty it is essential that we should justify any increase of any estimate. The House will remember that the other day it was stated that the policy of the Government was to encourage works of an economic character. What work could be more economic in a period of unemployment than any effort to prevent the deterioration of those who are out of work, and particularly the deterioration of the young. Therefore I feel that that item of increased expenditure is justified to the full. It has been my endeavour to provide instructional centres in as many industrial areas as possible, and I am in a position to say that there are very few industrial areas now where such facilities have not been provided. It is estimated that during the last 12 months something like 150,000 juveniles have attended at these centres.

Another item relates to the scheme of training under the heads of "training centres" and "instructional centres." The object of the training centres is to improve the chances of employment of

[Sir H. Betterton.]

unemployed men who, either because of their lack of skill and experience or because their skill has lost its marketable value, have little expectation of further regular employment. These training centres provide a training for six months, and from the point of view of training they have been successful. The numbers who will pass through the nine centres will be something like 4,000 in the year. In addition there are the 11 instructional centres, through which about 9,500 will pass in the year. With regard to the instructional centres the recruitment is on a voluntary basis amongst unemployed men in the depressed areas. The response of the volunteers has been extremely satisfactory. I have visited many of the centres myself and have found that they are really doing a useful work. Therefore, this increased grant is justified on every ground, both social and economic. With regard to the training centres our policy has been not to take more men than those for who we can reasonably expect to find jobs. A very large proportion indeed—I think it is something like 90 per cent.—of those who have passed through the training centres have been found jobs. With regard to the instructional centres, their work is regarded as reconditioning, without the practical certainty of a job being found.

Mr. ANEURIN BEVAN: Has any attempt at all been made to follow up the history of the lads who have been placed in these jobs? A figure can sometimes falsify the whole of the facts. Is it the case that the boys get into jobs and almost immediately are out again?

Sir H. BETTERTON: We have in fact had samples taken, which show the subsequent history of those who have been through the training centres. I have not the detailed information here, but I know that these samples, speaking broadly, justify the view I have just expressed, that this work ought to be carried on, and that it is serving a useful purpose in the country. Therefore, I have no hesitation in commending it to the House.

Mr. KIRKWOOD: Will the Minister say whether it is the case that young men who refuse to go to these training centres are cut off from the Employment Exchanges?

Sir H. BETTERTON: In one of th
recent Acts, I think it is the Act of 192
there is a provision which enables th
Ministry to say that unless they go
these centres they will be cut off. It is
fact, so I am informed, that th
volunteers are sufficient to fill th
centres, and in practice that Act has bee
applied very little in this respect.

Mr. BUCHANAN: Only in certa
places.

Sir H. BETTERTON: I am statin
broadly what is the position.

Mr. KIRKWOOD: In the case of m
young men, for instance, in Dumbarto
and Clydebank, I want to know wheth
it is the case that those who have r
fused to go to the training centres hav
been cut off.

Sir H. BETTERTON: I have told th
hon. Gentleman what the law is. Th
law does give that power to the Ministe
The numbers of those who have actual
been so cut off I could not state withou
notice. Another question with which
want to deal is that of training fo
women. The amount of the Estimate
£81,000. The training for unemploye
girls and women is carried on by th
Central Committee for Women's Trainin
and Employment, on behalf of an
financed by grants from the Ministry
Labour. In the last 10 years or so some
thing like 60,000 women have passe
through these centres. The work of th
central committee I personally hav
followed very closely. We have two type
of centres, one residential and one non
residential. There are 26 non-residentia
centres, and about 2,700 women a
trained during the year. There are seve
residential centres, and there are 1,70
trainees admitted annually. I have mad
inquiries in order to ascertain wheth
the expenditure is justified. I visite
some of the centres and made person
inquiries. I am satisfied that this is
charge which I am justified in asking th
House to meet. About 80 per cent.
those who have passed through th
centres have been settled satisfactoril
in their occupations.

One other item to which I must refe
is the grant for assisting the voluntar
provision of occupation for unemploye
persons. I say quite definitely, wit
regard to this voluntary work that i

eing done up and down the country, that have not claimed, and do not intend o claim, the slightest political credit for . I regard it as a work done by people ho want to help their fellows and I do ot suggest that it should be, or that it being, regarded by me as a substitute r something which the Opposition think e ought to do, but which we have left ndone. I wish to make it clear that the emendous success of the voluntary fort is the result of work for which I, ersonally, at any rate, claim no political dos. It is quite obvious to everybody ho has been reading the papers and atching what has been going on roughout the country that there has en a very remarkable movement in the st year even in the past few months nong a large number of people who are ncerely anxious to help if they can in me way or other those who are unfornately unemployed.

I need not go into the activities of rious bodies in this connection. They e well known to hon. Members of this ouse but work of some kind has been rted in approximately 500 areas and at work covers at the present time out 150,000 persons. When there was increase in this work it became clear at there was considerable need for a ntral body to collect information and nerally to guide and assist voluntary ort. The Government accordingly ided to recognise the National Council Social Service as the body which uld most appropriately undertake this rk and they have made a grant for purpose to the National Council. terms upon which that grant is made y be described, roughly, as pound for nd within a limit, that is to say the ount given by the Government is ed to, pound for pound, from the anisation.

r. BATEY: Will the Minister tell us he proposes to make it £25,000 next r?

ir H. BETTERTON: About £7,000 or 00 of the £25,000 will be devoted to sting the National Council of Social vice in what we may call its adminisive work—in other words, in enabling o assist voluntary organisations, as nstance by preventing mistakes made ne place from being repeated in anr, and in enabling it to collectination and, in general as I have said to guide and assist voluntary effort. It is proposed to grant £15,000 of that sum to enable the Council to provide assistance in promoting, in areas suffering from severe and prolonged unemployment, schemes of occupation for unemployed persons, either directly or through the organisation of national or regional bodies which they may invite to act on their behalf.

Mr. LAWSON: Are these the schemes that the Prime Minister said that the right hon. Gentleman was to describe?

Sir H. BETTERTON: I have the Prime Minister's answer here. The right hon. Gentleman, I find, said:

> "I have already explained the policy of the Government in regard to the provision of employment."

What I am sure he had in mind there was the whole question of relief work which I certainly am not going to deal with to-day. Then he went on:

> "As regards the alleviation of the condition of the unemployed, I would ask the hon. Member to await the statement which will be made."

That is the statement to be made by me. What the right hon. Gentleman had in mind I have no doubt was the general work of training and placing which I am dealing with to-day.

Mr. LAWSON: I am sorry to interrupt the right hon. Gentleman again but if he will look at the question which was put to the Prime Minister he will see that it asked the right hon. Gentleman to lay before the House a White Paper giving full details of the schemes for the alleviation of unemployment which the Government have now under consideration. The Prime Minister in reply said that the Minister of Labour was going to give us those schemes.

Sir H. BETTERTON: I think the hon. Member has entirely misunderstood the Prime Minister's answer. At any rate I am not going to repeat in the Debate to-day what he and I have said on many other occasions, namely, that with regard to these relief schemes we think they would be worse than useless.

Mr. BATEY: I hope the Minister will excuse me for intervening again but this is an important matter. Several supplementary questions were put to the Prime Minister and, in answer to the supplementary questions, the Prime

[Mr. Batey.]

Minister said very distinctly that if we waited we would hear the schemes of employment for the purpose of relieving distress announced by the Minister of Labour. I hope that the Minister is going to give us that information.

Sir H. BETTERTON: The hon. Member knows as well as I do that what the Prime Minister had in mind and what he understood this Question to mean—[HON. MEMBERS: "No!"]—obviously was the question of relief schemes—a matter which has been discussed over and over again in this House and which I certainly am not going to discuss today, if for no other reason than that it would be out of order to do so because it would need legislation.

Mr. BATEY: Are we to understand then that the Minister of Labour is not going to carry out the promise of the Prime Minister to give us information about these schemes. In that case I think we are entitled to move the Adjournment of the House, and if you, Mr. Deputy-Speaker, will accept such a Motion, I am prepared to move, "That this House do now adjourn," in order to give the Prime Minister an opportunity of attending and telling the House what he did mean this afternoon.

Mr. DEPUTY-SPEAKER (Sir Dennis Herbert): This is not the proper time to move that Motion. The hon. Member ought to have done so at the conclusion of Questions. I am afraid I could not accept that Motion now.

Mr. LAWSON: On a point of Order. I think it will be within the memory of hon. Members who were present at Question Time that this was a very explicit question addressed to the Prime Minister and placed on the Paper. It was not a mere general question. It asked for a White Paper giving details of the schemes for the alleviation of unemployment which the Government have now under consideration. The Prime Minister did not give a general answer, but stated very definitely that the Minister o Labour in this Debate would give a clea answer on the question. It appeared t us therefore that the Minister of Labou was going to make a statement of ver important Government policy here thi afternoon. I intervened previousl because when the right hon. Gentle man began telling the House about th schemes run by voluntary organisation dealing with a handful of people, I bega to think that those were the scheme which he was going to tell us abou rather than the schemes alluded to in th question. I submit that there is groun for moving the Adjournment. If th right hon. Gentleman opposite is righ the Prime Minister has not only misle the House but has knowingly misled th House.

Mr. DEPUTY-SPEAKER: I was n quite sure what kind of Motion the ho Member for Spennymoor (Mr. Batey) ha in mind when he raised the point. thought he desired leave to move th Adjournment in order to discuss a pa ticular matter under Standing Order 1 In that case the proper time to ha asked for leave would have been at th conclusion of Questions. But it is op to any hon. Member to move, if the Cha accepts the Motion, either "That th House do now adjourn," or "That th Debate be now adjourned." That is different matter altogether.

Mr. A. BEVAN: If the Motion h been moved I beg to second it—th is, if you Mr. Deputy-Speaker accept t Motion.

Mr. DEPUTY-SPEAKER: I have n accepted any Motion. At the mome no Motion has been put to me.

Mr. BEVAN: I beg to move, "Th the Debate be now adjourned."

Mr. DEPUTY-SPEAKER, *being of opini that the Motion was an abuse of t Rules of the House, put the Questi thereupon forthwith.*

The House divided: Ayes, 48; No 269.

Division No. 64.] AYES. [5.12 p.m.

Acland, Rt. Hon. Sir Francis Dyke
Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Batey, Joseph
Bernays, Robert
Bevan, Aneurin (Ebbw Vale)
Buchanan, George
Cape, Thomas
Cocks, Frederick Seymour
Cove, William G.
Cripps, Sir Stafford
Curry, A. C.
Daggar, George
Davies, David L. (Pontypridd)
Davies, Rhys John (Westhoughto
Dobbie, William
Edwards, Charles
George, Major G. Lloyd (Pembr
Greenwood, Rt. Hon. Arthur
Grenfell, David Rees (Glamorgan
Griffith, F. Kingsley (Middlesbro',

Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Hicks, Ernest George
Johnstone, Harcourt (S. Shields)
Jones, Morgan (Caerphilly)
Kirkwood, David
Lansbury, Rt. Hon. George
Lawson, John James
Leonard, William
Llewellyn-Jones, Frederick
Logan, David Gilbert
Lunn, William
McEntee, Valentine L.
McGovern, John
McKeag, William
Mander, Geoffrey le M.
Maxton, James
Parkinson, John Allen
Pickering, Ernest H.
Price, Gabriel
Salter, Dr. Alfred
Thorne, William James
Williams, Edward John (Ogmore)
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)
Young, Ernest J. (Middlesbrough, E.)

TELLERS FOR THE AYES.—
Mr. Tinker and Mr. D. Graham.

NOES.

Adams, Samuel Vyvyan T. (Leeds, W.)
Aitchison, Rt. Hon. Craigie M.
Albery, Irving James
Allen, Sir J. Sandeman (Liverp'l, W.)
Allen, William (Stoke-on-Trent)
Amery, Rt. Hon. Leopold C. M. S.
Anstruther-Gray, W. J.
Atholl, Duchess of
Baldwin, Rt. Hon. Stanley
Balfour, Capt. Harold (I. of Thanet)
Balniel, Lord
Barclay-Harvey, C. M.
Barton, Capt. Basil Kelsey
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Betterton, Rt. Hon. Sir Henry B.
Bird, Ernest Roy (Yorks., Skipton)
Bird, Sir Robert B. (Wolverh'pton W.)
Blindell, James
Bossom, A. C.
Boulton, W. W.
Bower, Lieut.-Com. Robert Tatton
Bowyer, Capt. Sir George E. W.
Briscoe, Capt. Richard George
Brocklebank, C. E. R.
Brown, Ernest (Leith)
rown, Brig.-Gen. H. C. (Berks., Newb'y)
rowne, Captain A. C.
Buchan-Hepburn, P. G. T.
urnett, John George
utt, Sir Alfred
adogan, Hon. Edward
aine, G. R. Hall-
ampbell, Edward Taswell (Bromley)
ampbell-Johnston, Malcolm
arver, Major William H.
ayzer, Sir Charles (Chester, City)
azalet, Capt. V. A. (Chippenham)
hamberlain, Rt. Hon. N. (Edgbaston)
hapman, Col. R. (Houghton-le-Spring)
hapman, Sir Samuel (Edinburgh, S.)
horlton, Alan Ernest Leofric
hristie, James Archibald
larke, Frank
layton, Dr. George C.
obb, Sir Cyril
olfox, Major William Philip
ollins, Rt. Hon. Sir Godfrey
olman, N. C. D.
olville, Lieut.-Colonel J.
ook, Thomas A.
ooper, A. Duff
ourthope, Colonel Sir George L.
raddock, Sir Reginald Henry
anborne, Viscount
oft, Brigadier-General Sir H.
ooke, J. Smedley
ookshank, Col. C. de Windt (Bootle)
oss, R. H.
ossley, A. C.
lverwell, Cyril Tom
ikeith, Earl of
avidson, Rt. Hon. J. C. C.
avison, Sir William Henry
wson, Sir Philip
nman, Hon. R. D.
nville, Alfred
ckie, John P.
nner, P. W.
ran, Edward
wer, Captain A. V. G.
owe, Cedric
Dugdale, Captain Thomas Lionel
Dunglass, Lord
Elliston, Captain George Sampson
Elmley, Viscount
Entwistle, Cyril Fullard
Essenhigh, Reginald Clare
Everard, W. Lindsay
Falle, Sir Bertram G.
Fermoy, Lord
Forestier-Walker, Sir Leolin
Fraser, Captain Ian
Fremantle, Sir Francis
Ganzoni, Sir John
Gibson, Charles Granville
Gilmour, Lt.-Col. Rt. Hon. Sir John
Gledhill, Gilbert
Glossop, C. W. H.
Goff, Sir Park
Goldie, Noel B.
Goodman, Colonel Albert W.
Gower, Sir Robert
Granville, Edgar
Grattan-Doyle, Sir Nicholas
Gretton, Colonel Rt. Hon. John
Grimston, R. V.
Guinness, Thomas L. E. B.
Guy, J. C. Morrison
Hacking, Rt. Hon. Douglas H.
Hall, Capt. W. D'Arcy (Brecon)
Hamilton, Sir George (Ilford)
Hanbury, Cecil
Hanley, Dennis A.
Harris, Sir Percy
Hartington, Marquess of
Hartland, George A.
Harvey, Major S. E. (Devon, Totnes)
Headlam, Lieut.-Col. Cuthbert M.
Heilgers, Captain F. F. A.
Henderson, Sir Vivian L. (Chelmsf'd)
Heneage, Lieut.-Colonel Arthur P
Herbert, Capt. S. (Abbey Division)
Hills, Major Rt. Hon. John Waller
Holdsworth, Herbert
Hope, Capt. Hon. A. O. J. (Aston)
Hornby, Frank
Horobin, Ian M.
Hudson, Robert Spear (Southport)
Hunter, Dr. Joseph (Dumfries)
Hunter, Capt. M. J. (Brigg)
Hurd, Sir Percy
Hurst, Sir Gerald B.
Hutchison, W. D. (Essex, Romf'd)
Inskip, Rt. Hon. Sir Thomas W. H.
Iveagh, Countess of
Jackson, Sir Henry (Wandsworth, C)
James, Wing-Com. A. W. H.
Joel, Dudley J. Barnato
Jones, Lewis (Swansea, West)
Ker, J. Campbell
Kerr, Lieut.-Col. Charles (Montrose)
Kimball, Lawrence
Knight, Holford
Knox, Sir Alfred
Latham, Sir Herbert Paul
Leckie, J. A.
Lees-Jones, John
Leighton, Major B. E. P.
Levy, Thomas
Liddall, Walter S.
Lindsay, Noel Ker
Lloyd, Geoffrey
Lockwood, John C. (Hackney, C.)
Loder, Captain J. de Vere
Lovat-Fraser, James Alexander
Lumley, Captain Lawrence R.
Lyons, Abraham Montagu
Mabane, William
MacAndrew, Lieut.-Col. C. G. (Partick)
MacAndrew, Capt. J. O. (Ayr)
McCorquodale, M. S.
Macdonald, Capt. P. D. (I. of W.)
McEwen, Captain J. H. F.
McKie, John Hamilton
Maclay, Hon. Joseph Paton
McLean, Major Sir Alan
Macmillan, Maurice Harold
Magnay, Thomas
Maitland, Adam
Makins, Brigadier-General Ernest
Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. R.
Martin, Thomas B.
Mason, Col. Glyn K. (Croydon, N.)
Mayhew, Lieut.-Colonel John
Milne, Charles
Mitchell, Sir W. Lane (Streatham)
Molson, A. Hugh Elsdale
Moore-Brabazon, Lieut.-Col. J. T. C.
Morris, John Patrick (Salford, N.)
Morris-Jones, Dr. J. H. (Denbigh)
Morrison, William Shephard
Muirhead, Major A. J.
Munro, Patrick
Nation, Brigadier-General J. J. H.
Newton, Sir Douglas George C.
Nicholson, Godfrey (Morpeth)
Nicholson, Rt. Hn. W. G. (Petersf'ld)
North, Captain Edward T.
Nunn, William
Patrick, Colin M.
Peake, Captain Osbert
Pearson, William G.
Peat, Charles U.
Penny, Sir George
Percy, Lord Eustace
Perkins, Walter R. D.
Petherick, M.
Peto, Sir Basil E. (Devon, Barnstaple)
Peto, Geoffrey K. (W'verh'pt'n, Bilst'n)
Pickford, Hon. Mary Ada
Potter, John
Pownall, Sir Assheton
Procter, Major Henry Adam
Purbrick, R.
Raikes, Henry V. A. M.
Ramsay, Alexander (W. Bromwich)
Ramsay, Capt. A. H. M. (Midlothian)
Ramsay, T. B. W. (Western Isles)
Ramsden, Sir Eugene
Rathbone, Eleanor
Reid, David D. (County Down)
Reid, James S. C. (Stirling)
Reid, William Allan (Derby)
Renwick, Major Gustav A.
Rhys, Hon. Charles Arthur U.
Robinson, John Roland
Ropner, Colonel L.
Rosbotham, Sir Samuel
Rothschild, James A. de
Runge, Norah Cecil
Russell, Albert (Kirkcaldy)
Russell, Alexander West (Tynemouth)
Russell, Richard John (Eddisbury)

Rutherford, John (Edmonton)
Rutherford, Sir John Hugo (Liverp'l)
Salmon, Sir Isidore
Salt, Edward W.
Sandeman, Sir A. N. Stewart
Sanderson, Sir Frank Barnard
Shakespeare, Geoffrey H.
Shaw, Captain William T. (Forfar)
Skelton, Archibald Noel
Slater, John
Smiles, Lieut.-Col. Sir Walter D.
Smith, Louis W. (Sheffield, Hallam)
Smith-Carington, Neville W.
Smithers, Waldron
Somerset, Thomas
Somervell, Donald Bradley
Somerville, Annesley A. (Windsor)
Soper, Richard
Sotheron-Estcourt, Captain T. E.
Southby, Commander Archibald R. J.
Spears, Brigadier-General Edward L.
Spencer, Captain Richard A.
Stanley, Hon. O. F. G. (Westmorland)
Steel-Maitland, Rt. Hon. Sir Arthur
Stevenson, James
Storey, Samuel
Stuart, Hon. J. (Moray and Nairn)
Sueter, Rear-Admiral Murray F.
Summersby, Charles H.
Sutcliffe, Harold
Thomas, Rt. Hon. J. H. (Derby)
Thomas, James P. L. (Hereford)
Thomson, Sir Frederick Charles
Titchfield, Major the Marquess of
Todd, Capt. A. J. K. (B'wick-on-T.)
Train, John
Tryon, Rt. Hon. George Clement
Turton, Robert Hugh
Wallace, John (Dunfermline)
Ward, Lt.-Col. Sir A. L. (Hull)
Ward, Irene Mary Bewick (Wallsend)
Ward, Sarah Adelaide (Cannock)
Waterhouse, Captain Charles
Wedderburn, Henry James Scrymgeour
Wells, Sydney Richard
Whiteside, Borras Noel H.
Wilson, Clyde T. (West Toxteth)
Wilson, G. H. A. (Cambridge U.)
Windsor-Clive, Lieut.-Colonel Georg
Winterton, Rt. Hon. Earl
Wise, Alfred R.
Womersley, Walter James
Worthington, Dr. John V.
Young, Rt. Hon. Sir Hilton (S'v'noaks

TELLERS FOR THE NOES.—
Sir Victor Warrender and Major
George Davies.

Question again proposed, "That '£156,423,000' stand part of the Resolution."

5.22 p.m.

Mr. LANSBURY: I want to ask your guidance, Mr. Deputy-Speaker. As you are aware, a question has been raised concerning the Prime Minister's statement this afternoon in reply to Question No. 46, put by my hon. Friend the Member for Spennymoor (Mr. Batey), asking that

"a White Paper giving full details of the schemes for the alleviation of unemployment which the Government have now under consideration"

should be published. The Prime Minister made the quite definite reply that the right hon. Gentleman the Minister of Labour would put before the House this evening those schemes—that that would be part of his statement. We now know from the Minister that he has no such statement to make. The Prime Minister is not here, and I respectfully ask you, Sir, what steps the Opposition can take to bring the Prime Minister to his place here to explain the position. We think you will agree, Mr. Deputy-Speaker, that the word of the Prime Minister in these matters ought to be sacred and that there ought not to be any question as to misleading the House or anything of that kind. We are not wanting to make those charges, but what the Prime Minister said is within our recollection quite definitely, and we put it to you, as Deputy-Speaker, that you should, if possible, advise us what we can do in order to protect the rights of the minority in this House and also to give the Prime Minister the opportunity of defending his own honour in this matter.

5.25 p.m.

Sir H. BETTERTON: In my submission to you, Mr. Deputy-Speaker, this appeal made by the other side completely misinterprets both what the Prime Minister obviously meant and what he said—[HON. MEMBERS: "No!"] Well, with the permission of the House, I will state what he did say:

"Mr. BATEY: Are we to understand from that reply that the Minister of Labour is going to tell us what schemes the Government are considering?

The PRIME MINISTER: I would ask my hon. Friend to wait and see."

Mr. LANSBURY: No, before that.

Sir H. BETTERTON: I will continue:

"Mr. BATEY: May I not invite the Prime Minister to tell us what schemes the Government are considering for the purpose of alleviating unemployment?

The PRIME MINISTER: Yes. That will be most appropriate to the discussion which we are having to-day."

HON. MEMBERS: Hear, hear!

Sir H. BETTERTON: May I say, in answer to that, two things? The first is that that policy which I have already elaborated is the policy for alleviating unemployment and, secondly, that such schemes and such a policy as hon. and right hon. Members may have in mind would be in any case out of order in this discussion, because they would need legislation. Therefore, I am confining myself quite strictly to the answer which the Prime Minister gave, and in my submission it is perfectly clear that I am carrying out the answer which he gave. If, as hon. Members seem to think, this was to be the occasion for again re-discussing and re-debating the whole question of relief works, I can assure hon. Members that that was neither in the Prime Minister's mind, nor is it my intention.

5.27 p.m.

Mr. LANSBURY: I am sure the right hon. Gentleman has no intention of miseading the House, but he has only given a portion of the reply, because he has not read the original answer. [*Interruption.*] The hon. Member opposite is very fond of interrupting, and it is quite unworthy of him or of any other Member of the House. I am putting a perfectly clear question to Mr. Deputy-Speaker. I am asking that the answer o the original question put by my hon. Friend the Member for Spennymoor hould be given. The question put to the Prime Minister was:

> " If he will lay before this House a White Paper giving full details of the chemes for the alleviation of unemployment which the Government have now under consideration."

He was referred to the right hon. Gentleman's statement to-night for an answer to that question, and it is really ust getting round and begging the whole uestion to take up the attitude that the ght hon. Gentleman has now taken. Everybody at Question Time took the Prime Minister's answer to mean that he Minister of Labour would tell us hat schemes the Government were proposing.

29 p.m.

Mr. DEPUTY-SPEAKER: The right hon. Gentleman the Leader of the Opposition asked me, so far as I am concerned, what steps he could take to bring he Prime Minister here to answer certain uestions which would be put to him. I think the right hon. Gentleman will ow that I have no power to assist him that matter. If he wishes to address special question to the Prime Minister, if he wishes the Prime Minister's esence in the House on any particular casion, no doubt he will communicate ut to the Prime Minister in the ordin- way, and I have no doubt it will be alt with as far as possible. I do not e that any question arises now where e Chair can assist the Opposition. ey have made their protest by moving e Adjournment of the Debate, and I not think there is anything further at they can do.

0 p.m.

Mr. LANSBURY: I am much obliged you for your courtesy in considering question, and we understand the diffi- ty. The point is that this is a case so eptional, where the Prime Minister promised the House——[HON. MEMBERS: " No! "] We are content to base our case on the Prime Minister's answer to the question and even on the answers that the right hon. Gentleman has read. The intention of the Prime Minister was that the right hon. Gentleman should answer the question. We, of course, cannot force the Prime Minister to act as a Prime Minister should, and defend his own action. We can only emphatically protest against this gross travesty of a Prime Minister's duty.

Sir H. BETTERTON: After that interlude, I may perhaps be allowed to resume my speech. I want to come to the first point raised by the hon. Member for Don Valley (Mr. T. Williams).

5.31 p.m.

Mr. A. BEVAN: I want to raise a point of Order for your guidance, Mr. Deputy-Speaker, as to the course of this Debate. The right hon. Gentleman has just left that portion of his speech in which he was dealing with a grant of money from public funds to various charitable organisations, and he intimated that he did not intend to accept responsibility for the administration of those organisations or any political kudos which might accrue from whatever they might do. May I ask you, Sir, in what way this House is to retain control over the expenditure of public money if the Vote from which the payment is being made is not to be the occasion upon which the administration is to be questioned? We understand that last year the maximum amount was £10,000. This year it has been increased to £25,000. This is not a definite lump sum, for the amount which the Exchequer will give will be determined by the contribution made by private persons, so that it is indeterminate up to a maximum of £25,000. Are we entitled in this Debate to bring the administration of those societies which receive these grants of public money under review in this Debate, and, if not, on what Vote are we to have those discussions?

Mr. DEPUTY-SPEAKER: I do not think that there is anything in what the hon. Member says which calls for a Ruling from the Chair. It appears to me that all those matters which have been the subject of discussion in the last few minutes are matters of debate. It is not a matter on which I am called upon to give any particular Ruling.

Mr. BEVAN: Are we entitled to expand the scope of the Debate so as to bring under review the acts of omission or commission of the organisations receiving this money?

Mr. DEPUTY-SPEAKER: That is a point of Order which should be dealt with when it arises. If and so far as grants have been made to particular bodies simply as grants under arrangements which do not impose on the recipient the obligation to submit their methods of dealing with those grants to this House, it is not a matter which can be discussed here in the same way as a Vote.

5.33 p.m.

Sir H. BETTERTON: After that second interlude, which had no more in it than the first, I will resume my speech. The hon. Member for Don Valley raised the question of the Government's attitude with regard to the proceedings at Geneva in relation to the 40-hour week, and he criticised the Government on two grounds. The first was apparently that they did not agree to pass legislation before there had been an adequate examination of the subject. His second ground was that the Government had insisted on the necessity of proper examination of the facts before giving their support to the proposal for an immediate international convention. This question of a 40-hour week and the discussions on it are not new. The Trades Union Congress in 1931, and again in 1932, passed a resolution calling for a reduction of weekly hours of work to 40 without a reduction of earnings. The General Council set up a special committee to investigate the application of the principle of the 40-hour week in industry. The committee issued a questionnaire to all the affiliated unions asking for information regarding the method of applying the 40-hour week, the existing hours of labour, the probable effects of the 40-hour week upon wages and costs, and other relevant considerations. It is perfectly obvious that the General Council took a very wise and necessary course realising, as they do, that that information is necessary for their own guidance. It is curious, therefore, that the Government should be criticised for insisting on this information before they themselves frame a policy.

I ask, do hon. Members opposite want propaganda and politics, or do they want business? If this is going to be made merely a question of political propaganda, then, indeed, it will be pretty hopeless. I fully recognise that all means by which employment in industry can be increased requires the most careful consideration in association with responsible industrial organisations, and although this particular aspect of it has been isolated, the necessity for a proper examination still exists. I have therefore asked the Trades Union Congress and the National Confederation of Employers' Organisations to meet me in order to discuss this matter and the methods by which the absorption of workers into industry may be examined in a practical manner. To commit yourself to a convention without knowing beforehand what will be the inevitable reactions of such a convention, and without knowing the consequences upon wage agreements and the like, would be absolute folly. So far the overseas countries have not been able to supply information to the International Labour Office. In view of the serious effect of the competition of Eastern countries on such industries as cotton, it is unthinkable that this country should be willing to agree to a form of international regulation which left those countries out of account. What I have just stated is entirely consistent with the attitude of my representative at Geneva. What he said was this, and I am going to repeat the statement which the hon. Gentleman has already read:

> "The British Government delegate stated that his Government considered that the question of the compulsory limitation of the hours of work to 40 a week had not yet been sufficiently examined to warrant a definite conclusion being reached, and that therefore his Government were opposed to proceeding at the present time with the project of a draft convention. He pressed for a comprehensive inquiry into the whole question before any definite action was taken."

I say again that to proceed on a matter of this enormous importance without making ourselves fully acquainted with what the consequences would be, and without knowing all the facts so far as we can ascertain them, would be the height of folly; and it would be doing exactly what the Trades Union Congress is wise enough not to do. I hope that hose interested in the matter will meet ne. The Trades Union Congress have ccepted my invitation.

Mr. T. WILLIAMS: Are we to undertand that at long last in 1933 the Govrnment have made up their mind to xamine this problem, and that they are eally seriously trying to do something ositive in place of the negative position hey have taken up for so long?

Sir H. BETTERTON: The hon. Gentlean must not use the word "negative." he policy of the Government is exactly hat I have said. It is not to commit emselves to a convention until they now what that convention is and what s effect would be if it were ratified.

The next point to which the hon. entleman referred was the administraion of the means test in the Don and other Valleys. His charge was that the ounty council of the West Riding had ade regulations at my instigation and at what was going on in the Don and other Valleys was satisfactory. The osition is this. There is a guardians mmittee of the county council in both e Don Valley and the Rother Valley. oth those committees were, prior to the cidents to which I have referred, exersing their duties in a manner inconstent with the Order-in-Council. As I ve said before in the House, that Order an Act of Parliament for which the ouse is responsible. Hon. Members ay not like it, but the position in which am as Minister of Labour is that the sponsibility of carrying out my duties imposed on me clearly by that Order, d I should be false to my position and ould not carry out the responsibility ich has been thrown upon me unless saw to it that the law passed by this use was carried out. Let me state w these two committees were carrying t their duties in a manner inconsistent h the Order-in-Council which was ssed in this House. They disobeyed Order because quite clearly they made differentiation of treatment between se in receipt of relief and those in eipt of transitional payment. The use will remember what the Order-in-uncil said:

> A committee or sub-committee in demining any question under the last preing paragraph (paragraph 1 of the Order) ll make such inquiries and otherwise deal h the case as if they were estimating the need of unemployed able-bodied persons who had applied for public assistance."

Mr. LANSBURY: Boards of guardians and public assistance committees had a very wide margin of discretion. The assistance given differed in various places, and the only person who interfered was the auditor of the accounts; but now the right hon. Gentleman interferes in the matter, and has really taken on himself to decide what is and what is not sufficient for an applicant. Under the Poor Law the guardians decided it, and the Minister of Health always said that he could not interfere, and the only person who had control, a very full control, was the Poor Law auditor. Now the Minister of Labour usurps that position —or he and the Minister of Health.

Sir H. BETTERTON: Let us see how far that is so. Quite obviously that clause in the Order was inserted because the local authorities were spending Exchequer money and not money raised from their rates, and there had to be some check and safeguard in respect of the Exchequer money. On 3rd November reports were received from the general inspector of the Ministry of Health saying that in the Don and Rother Valleys effect was being given to determinations which could not be justified by reference to the authority's public assistance practice. I will give illustrations of the decisions made. I have a good many cases, but I do not wish to take up too much time in dealing with them. Here is the case of a single man with a father and mother and two brothers. The amount coming into the house was £6 0s. 10d. and he was allowed 13s. a week by the committee. The right hon. Gentleman had a very long experience of administration by local authorities. May I remind him that in his own Government the right hon. Member for Wakefield (Mr. Greenwood), when he was Minister of Health, felt so strongly on this question of the family income that he issued a Circular on 3rd January, 1930, in which he said that certain specific points had been called to his attention and that he desired to offer his observations for the guidance of boards of guardians.

Mr. LAWSON: What were the points?

Sir H. BETTERTON: This is guidance which he offered to the boards of guardians.

Mr. BUCHANAN: Will the right hon. Gentleman say whether this was issued confidentially to boards of guardians or was a public document? In view of the fact that it may raise urgent matters, will the right hon. Gentleman make it available to Members of the House? When a Minister quotes a document it is the general custom to make it available to the House.

Sir H. BETTERTON: This document has nothing on it about its being confidential. It is Circular 1069, dated 3rd January, 1930, from the Minister of Health. There is nothing secret about it.

Mr. BUCHANAN: I take it that it will be available for any Member who wishes to see it? In Scotland we do not always follow these Circulars, because we have a different Ministry there.

Sir H. BETTERTON: I have no doubt at all that it is available for anybody. This is what the right hon. Gentleman says in that Circular:

"In assessing the amount of relief to be afforded the general principle is that income and means from every source available to the household must be taken into account."

Mr. LAWSON: That was the law.

Sir H. BETTERTON: Under the Order-in-Council, also, the law is that in assessing transitional payments they must assess them, as I have already explained, as if they were dealing with able-bodied persons applying for public assistance. Therefore, it is perfectly clear that in this case and many others from the Rother and Don Valleys which I have before me there had been infringements of the statutory duty of the authority.

Mr. LANSBURY: Not necessarily.

Sir H. BETTERTON: We pointed out to the appropriate authority, the county council, what was happening. The county council drew up a scale which was binding upon all their guardians committees, including those in the Rother and Don Valleys. I had no voice in those scales at all, and I have not interfered. I understand that the scales do not differ substantially from those in operation under public assistance authorities over a large part of the country. Therefore, with regard to the points raised by the hon. Member in the Rother and Don Valleys cases, I say that my duty to this House was absolutely clear. I could do no other thing than take note of the matter. The other case about which I want to say something is, the House will be surprised to hear, the case of Rotherham.

Mr. T. WILLIAMS: I am sorry to interrupt the right hon. Gentleman but before he leaves the West Riding I would like to ask whether, if he has any experience of the scale they are now applying, he agrees that that scale is consistent with what he regards as the spirit of the Order-in-Council?

Sir H. BETTERTON: What I have said was that I understand those scales do not substantially differ from those in operation by public assistance authorities over a large part of the country.

Mr. LUNN: May I intervene? Are not those scales a change, absolutely, from what was the position previously under all the guardians' committees in the West Riding; and have not the guardians' committees been placed in the position that they have no power whatever except to grant what has been laid down by the county council through the Ministry of Labour and the Ministry of Health?

Sir H. BETTERTON: Frankly, I cannot answer the first part of the question, because I do not know. The answer to the last part of the question is that the county council are responsible for the scale. As I have said, I had nothing to do with drawing it up, nor have I made any representations about it. It is really a matter for the county council. As I said before I was interrupted, I would like to say a word or two about Rotherham. Very soon after the coming into force of the Order of 1931 we had reports from the Ministry of Health that the administration in Rotherham was not in accordance with the law passed by this House. Before the introduction of transitional payments there was no definite scale at Rotherham at all, but when this Order was passed a scale was drawn up for both public assistance and transitional payments. I gather that it was within the law; it made no difference between transitional payments and public assistance.

Quite soon, January, 1932, to be exact, a report revealed that in practice there was a wide difference in administration s between public assistance cases and ransitional payment cases. I will give n example. A single man, aged 25, pplied for public assistance. I would emind the House that if he got it it would be paid out of the rates. He was ving with his father, who was unem- loyed, his mother and his sister. The otal income of the household was 47s. 3d. week. He was granted 7s. 6d. relief. he sum of 7s. 6d. was regarded as roper relief when the money was coming ut of the rates, but let the House bserve the difference in the attitude of e authorities at Rotherham when they ere dealing with a transitional pay- ents case—where the family was sub- antially the same—in which the money me out of the Exchequer. In this se a single man, aged 31, was living ith his father and mother and two rothers, with a household income of 10s. 6d. a week, and he received the ll determination of 15s. 3d. I ask hon. d right hon. Gentlemen "How could responsible to this House for the ministration of this Order, allow that scrimination between relief and transi- nal payments?"

Mr. A. BEVAN: How many were in the use?

Sir H. BETTERTON: The number was actically the same in both cases. In public assistance case there was a gle man living with his father and his ther and his sister. In the transitional yments case there was a man, his her, his mother and his two brothers. ere was one more in the household in s latter case.

Mr. BEVAN: Adults?

Sir H. BETTERTON: Yes.

Mr. BEVAN: Ah, adults.

Sir H. BETTERTON: The difference allowance where the income was 6d. and the money came out of the s and where the income was 10s. 6d. and the money would come n the Exchequer was, of course, oosterous. I will take another case. ingle man, aged 27, was living with father, two brothers and a house- per. The total family income was s. 8d. He received 10s. as public stance—from the rates. In a transi- al payments case a single man, aged 20, living with his father, mother and two brothers, with a family income of £7 a week, received the full determination of 12s. 6d.

Another class of case concerns grants out of public money, not out of the rates, where an applicant had really substantial means of his own. I agree that those cases are much more common where a transitional payment is sought, because, obviously, there is less likelihood of a man having means of his own seeking public assistance. A single man, living with a brother in receipt of 15s. 3d. unemployment benefit, had £530 in the bank and £50 on loan and received a full determination of 15s. 3d. Another applicant, a married man whose wife was in receipt of an old age pension, had £950 in the savings bank, and was given out of the Exchequer money a determination of 10s. These cases having been brought to my notice, it was impossible to allow them to pass by without some effort on my part to secure that the law was obeyed. What happened was this. Representations were made in March, 1932, and the authority was warned that its administration was not in accordance with the law. Then they agreed to a scale—this is very important—in consultation with the Ministry of Health, and that scale was adopted by the Council on 2nd August. That scale was no sooner agreed to by the Council than it was most flagrantly broken.

Here, again, I have a number of cases showing that determinations were made, in one case where there was an income of £7 17s. 2d. coming into a house, and in another case where there was an income of £6 9s. 10d. The Commissioner now at Rotherham has adopted the scale which was actually agreed by the Rotherham authority after consultation with the Ministry of Health in August last, and therefore there is no ground for saying that the scale which he adopted is unreasonable because it is, in fact, the very scale which was adopted by the Rotherham authority.

Mr. BUCHANAN: Will the Minister tell us how the scale compares with the scale paid to those who do not come on that benefit and who are on what we call able-bodied relief?

Sir H. BETTERTON: I have not the scales before me, so I cannot say. I think that it is just as well that these

[Sir H. Betterton.]

facts should be stated. I have attempted to put them without undue heat or prejudice, and they ought to be known both inside and outside this House. I have already taken up a great deal of the time of the House and I am only just going to say a word or two more in conclusion. I have now ascertained the figure which was asked for by the hon. Member for Gorbals (Mr. Buchanan). I am told that the public assistance authority in Rotherham are applying the same scale as the Commissioner.

Mr. LANSBURY: The right hon. Gentleman will admit that all public assistance committees, like the old boards of guardians, administer relief subject to the auditor, who has tremendous powers of surcharging them.

Sir H. BETTERTON: The answer that I have given was in reply to the question put by the hon. Member for Gorbals.

Mr. LANSBURY: They are not free to give what they like.

Sir H. BETTERTON: I want to say a word about the figures which were given by the hon. Member for Don Valley in regard to unemployment. I must confess that I did not follow his argument. What I want to point out is that nobody pretends that the register is not at a terribly high level, and it is not to be thought for a moment that I am complacent as to the position. Nothing is further from my intention and nothing is further from the impression that I want to give, but while not being complacent, I have a right to make comparisons. Comparisons do not necessarily follow complacency. I will mention one comparison. The last figures which this country had of the state of the Register were those for January last. In February last year there was a decrease on the January figures of 27,000. That was the first time for three or four years that there had been a decrease in the figures for the month of February.

In 1931 there was an increase in the month of February as compared with January of 23,000. In February, 1930, there was an increase of 51,000. In 1929 there was an increase of 32,000. Last year, for the first time, there was a decrease in the figures for the month of February. I do not know what the figures for February this year will be because they are not yet verified and collated, but I can state, without being too optimistic, that I shall be disappointed if there is not a further decrease in the figures over January. Should that turn out to be so, it will be observed that there will be a decrease in the figures for the month of February, while in the years 1929, 1930 and 1931 there was an increase. I do not mean from that that we are justified in building high or extravagant hopes, but it is an indication that the progressive increase has been checked, and I am sure that hon. Members opposite will be just as glad of that as I shall be if that should turn out to be permanent.

Mr. LAWSON: Do I take it that the Minister means that the figures that he has already assembled justify him in expecting a reduction in the figures for the month of February?

Sir H. BETTERTON: Yes.

Mr. LAWSON: I asked the right hon. Gentleman that question because he will remember that only a month or two ago there was sent out what seemed to be a semi-official statement which led everyone to believe that there was going to be a reduction, whereas there was an increase. We can only hope that the right hon. Gentleman is right.

Sir H. BETTERTON: I am glad to be able to assure the hon. Gentleman that I had nothing whatever to do with the semi-official statement. The hon. Gentleman has been at the Ministry of Labour, and he knows exactly what I mean when I say that the preliminary figures that I have justify me in expecting that there will be further decrease in February over the figures of January. I have dealt, I hope, with the points that have been raised, and I must apologise to the House for taking up so large an amount of its time.

6.8 p.m.

Mr. DOBBIE: As a newcomer, I would crave the indulgence of the House for intervening in what is to me a very important Debate. I have come from a centre and from a constituency where the ruling questions that were paramount during the election were the means test and unemployment. I am staggered at the complacency with which hon. Members talk about those great problems and their effect upon the struggling men d women of the country. I have heard atements here in relation to Rother- m. At Rotherham during the elec- on, in the midst of snow storms, I saw omen with boots that were a travesty d a tragedy; and men who were going out in clothes that were a disgrace our civilisation. When one remembers at those were men and women who, like were made in the image of God, with e same God-given right to live decently any of us here, one is staggered and azed at the complacency, the cool- ss and the coldness with which this blem is discussed in this Assembly.

Vhen Rotherham had been referred I wondered whether the Minister took o consideration the name of the com- ssioner whom he sent down to replace public assistance committee. They him Basham, and he has done it, a way one would hardly believe one man being capable of perpetrating at, in my opinion, is injustice upon ers. I have known not one but many es in Rotherham where homes have n broken up because of the applica- of the means test by the commis- ner. Over 400 cases have been re- ed, and over 1,100 cases have had the efit cut down considerably. There are dreds of citizens in Rotherham to-day ng in fear and dread of the commis- ner.

y election was fought and won on test question of the abolition of the ns test, the right to work and the t to maintenance without the Poor taint. The result of Rotherham, as was the case with Wakefield and lnesbury, is a warning to the Gov- nent. It is a definite challenge to Government of the day in regard to treatment of the unemployed in this try. That has been verified not by herham alone, but by the scores of grams that I have received, yester- and to-day, from industrial con- encies, wishing that they had the opportunity to give their verdict he conduct of the Government and reatment of the unemployed. I ask Minister to review the situation. I the Government to recall the com- ioner and to reinstate the public tance committee with full power to heir work in a proper and humane ner.

The election at Rotherham was fought, as I have said, on the question of the abolition of the means test, and no one looking at the result can misunderstand the verdict of the electorate. I make bold to say that that would be the verdict of the electorate throughout the length and breadth of this country if given their opportunity. The abolition of the means test, the right to work and the right to maintenance on a proper, decent and humane standard without Poor Law taint were the questions at the election, as were the social services and the Government's attitude to them. I hope, that as I am a new Member, you, Sir, will forgive me if I am not just correct in my designation, but I believe that the Lord President of the Council was the title of the right hon. Gentleman who yesterday said:

> "I want the House to remember that there is one method of reducing taxation, and that is by reducing it at the expense of the social services, and this Government will not do that."—[OFFICIAL REPORT, 1st March, 1933; col. 446, Vol. 275.]

I hope that that is the statement and the assurance of the Government of the day to the people of this country. I hope that the statement made by the Lord President of the Council yesterday is one that will be honoured by the Government in their conduct towards the social services during the future.

6.14 p.m.

Captain Sir WILLIAM BRASS: I should like to congratulate most heartily the hon. Member for Rotherham (Mr. Dobbie) on the speech to which we have just listened. I am naturally sorry that we did not win Rotherham, but I was interested to hear the hon. Member after the very pleasant fight that I had with him in Clitheroe in 1929. I hope that we shall hear him on many occasions in this House. It is quite easy for anyone at the present time to fight an election especially in a constituency like Rotherham on the question of the means test. If one went to a constituency where there were vast numbers of unemployed, and asked them this question as to the means test, naturally the principle of whether there should be a test or not would be received by them in the way in which it was received at Rotherham.

I want to put a few questions and to make a few points on the administration

[Sir W. Brass.]

of the means test and on the question of unemployment benefit. I would ask my right hon. Friend to consider two points. In the first place, there is no doubt that this means test, or need test, is a very sore point indeed at the present time in most industrial constituencies. Certainly it is in mine in Lancashire, and I am not at all satisfied with the present administration of the test. I realise that the Minister of Labour has gone a long way to help in the matter. By the Act which was passed not very long ago he has brought more uniformity into the question of disability pensions, workmen's compensation and savings, but still he has left out of account the all-important question of the rates of benefit which are being paid. Those rates show a lack of uniformity all over the country. I would like to quote one or two as examples. The rate of benefit for a man, his wife and three children at Manchester is 39s. At Salford it is 36s., at Warrington 34s., and in my constituency, which is in the Lancashire County Council area, it is only 29s. In the town of Darwen, which is partly in the borough of Blackburn and partly in the Lancashire County Council area, the rates actually vary from one side of the road to the other. That, I think, one cannot possibly allow.

Mr. BUCHANAN: Do the rates quoted by the hon. and gallant Gentleman include money earned?

Sir W. BRASS: No; these are the rates that are given assuming that there is no money coming into the home. They are the rates given to a man, his wife and three children—the full rates in cases in which there are no resources at all.

Mr. BUCHANAN: They are as much as 36s.?

Sir W. BRASS: Yes, that is so. I stand to be corrected, but that is the information that is given to me. I think that this lack of uniformity in the giving of benefit to people receiving transitional payments is due to the dual control. It is due to the fact that the public assistance committees have to administer two things. They have to administer the Poor Law, and they have also to administer transitional benefit, which latter does not come from the rates, but from the Chancellor of the Exchequer. The result is that, where you have a county council or a county borough which gives a more generous scale as far as the Poor Law is concerned, the public assistance committee there can also give a more generous scale as far as transitional benefit is concerned. The fact is that the county councils or borough councils that have these higher rates for poor relief are able to get from the Chancellor of the Exchequer more money for their people who are unemployed and on transitiona benefit than is obtainable for people who happen to live in an area which is poorer, and unable to pay the same amount of poor relief as the richer area. That, I think, is entirely wrong. I see no reason at all why the people in my constituency should not receive just as much transitional benefit as people in any other constituency. I think they have a perfect right to receive just as much benefit as anyone living in a borough abutting on my constituency, or in any other part o the country, because that money is not raised locally; it comes from the genera taxpayers of the country. There ough to be uniformity over the whole country. I would appeal most earnestly to my righ hon. Friend to do away with this dua control, and to put the whole thing unde the Ministry of Labour, so that there may be uniformity over the whole country and we may be able to say, whether the benefit be low or high, that people are being treated properly and alike.

There is another point which I should like to raise, and that is in regard to the question of earnings. I am sure my righ hon. Friend is aware of this. I will take the Lancashire County Council area as an example. Suppose that one membe of the household—possibly a son, or daughter, or brother of the householde —is in employment, while all the rest are unemployed. In the Lancashire County Council area, in assessing the amount of transitional benefit to be paid, the public assistance committees have been instructed that the amount that is to be allowed free before the family income is to be assessed is 6s. or 25 per cent., whicheve is the less. Assuming that a man is earning £2 a week, 25 per cent. of that is 10s. and 6s. is less than 10s., so that he would be allowed free only 6s. In a borough which abuts on my constituency, the amount allowed free is one-third of the earnings. Consequently, assuming tha in this borough a man is earning £2 week, he is allowed free 13s. 4d., wherea n my constituency he would only be llowed 6s. That shows a complete lack f uniformity, and is most unfair. The esult is that in that particular borough he people are able to draw from the Chancellor of the Exchequer more money or their benefit than can be drawn in my onstituency.

With regard to the payment of unemloyment benefit, we know that employés n the greater part of industry, with cerain exceptions such as agricultural orkers and so on, have to pay premiums or unemployment benefit, and, conseuently, we expect that, when those eople become unemployed through no ult of their own, they will actually ceive unemployment benefit, because y law they have been asked to pay remiums for the benefit which they xpect to receive. I want to point out hat happened during the recent cotton spute in Lancashire. I assure the ouse that I do not wish to take any side that question at all; I have no brief ther for the employers or for the emoyés; I am merely going to point out hat has happened. In Burnley, the nstituency next to mine, where there e 16 mills, people were thrown out of ployment owing to intimidation by a owd. The mills were closed because it peared that they might be burnt down casualties might occur. The operatives o wanted to work were unable to get rk, because the mills were closed by owners. They claimed benefit, and y got benefit.

n my constituency there are 30 mills der similar conditions. The mills were sed through intimidation, the operaes claimed benefit, and it was refused them by the insurance officer, under ditions identical with those in the 16 s in Burnley, where benefit was wed. There was an appeal to the erees, and the referees allowed benefit. insurance officer then appealed her to the Umpire, and the Umpire ersed the decision of the referees and sed benefit. He did so on the ground there was a dispute between worker worker, between striker and nonker. In fact, however, that was not dispute at all. The dispute was that ertain number of people wanted to k, and a large crowd of people, who not even in the same trade, came my constituency and intimidated the workers and threatened all sorts of things, with the result that the mills were closed.

Now that the Umpire has given his decision, it is law, as though it were a decision of the House of Lords, and I cannot go into it, but I would appeal to my hon. Friend the Parliamentary Secretary to put up another case to the Umpire in order to make quite certain that the rule which has been laid down is not to be interpreted in the way that it obviously will be, namely, that if you can get a sufficiently big crowd together, and get that crowd to intimidate the people and the owners of mills and workshops, you can force the people out of employment, and, although they have been compelled to pay premiums for unemployment benefit, they will not be allowed to get benefit. I think that that is a direct premium on mob law, and I would appeal to my hon. Friend to consider putting another case to the Umpire in order to see whether this decision cannot be revised. If he cannot do that, I appeal to the Minister to change the law, so that the real, genuine worker who wants to work, and who has paid premiums for unemployment benefit, shall be allowed to receive benefits when mills or workshops are closed, not owing to his fault at all, but because the owners have been compelled to close them. That is all I have to say on the subject, and I appeal most earnestly to my hon. Friend to mention this subject in replying.

6.30 p.m.

Mr. TINKER: The Debate has been rather wider than we expected when we began. First of all, we have had the victor of Rotherham bringing a message to the Commons of what the people think outside, and one expects that their message will be taken notice of by the Government. The second interesting point is in regard to the Prime Minister's statement at Question Time. I thought he was rather saying something that he could not carry out very well. I was wondering what would happen. I thought it was probable that we might be able to get something done, because the Prime Minister was quite definite in what he said. I am sorry that he has not been able to come back to face the Committee and tell us exactly what he meant when he spoke of the Minister of Labour being

[Mr. Tinker.]

able to give some definite statement on a scheme for work. However, he has not come, and we are left to go on with the Vote as best we can and try to find out what is in the mind of the Government. The Minister did not make certain things clear to me. I should like to ask: What is the number of juveniles registered at the Employment Exchanges in receipt of unemployment benefit and how many are attending instruction centres—not those who have passed through, but the number attending at present? I should also like to know how many training centres there are for adults, where they are situated, and what is the method of dealing with people when they go to instructional centres away from their homes.

The PARLIAMENTARY SECRETARY to the MINISTRY OF LABOUR (Mr. R. S. HUDSON): Is the hon. Member referring to residential or non-residential?

Mr. TINKER: When they are sent away from home, they either live in or are lodged out. I believe both systems are in operation. I should like to know what actually takes place, what payment is given, and what is the mode of lodging? I should like to know the same about girls and women and how they are dealt with? One of the main points that I want to bring forward is in regard to Circular LA 16 giving instruction to public assistance committees how to deal with certain recommendations. It says:

> "It should be noted that a pensioner in receipt of disability pension may also be drawing allowances in respect of his wife and children. The rule under the present Act applies only to the personal disability pension."

I want that point cleared up, because, when the amending Act was brought before the House, most of us thought it applied to the allowances as well as to the pension itself. The matter was never mentioned, but it was taken for granted. The Lancashire County Council is always the first to take advantage of a chance like that. I think it is the worst county council, so far as applicants are concerned, in the whole of Great Britain. I think it would be a very good place for the Department to get commissioners. It must be a good training ground for them. If ever the right hon. Gentleman is short of a commissioner, he will always get a suitable person there. They construed the Minister's letter as he intended it t be construed, that they must leave the allowances out of the question. I d not think the House of Commons ever meant that, and I should like the Minister to make clear his intentions on tha point, or is he going to bring in some amending legislation to put it right o give the House a chance to express it opinion? I should like hon. Member opposite to give their opinions on tha later on, when the Minister has replied because this is what is being don throughout the country. They are takin a lead from the Minister, which I believ he had no right to give, to disallow thes allowances.

Another point arising under the sam county council is in reference to singl young men and women. Many of ther are being treated in the matter of transitional payment in the way that th hon. Member for Clitheroe (Sir W Brass) mentioned. Where there is father working, all the means of th household are taken into consideratio Many of them in their distress, rathe than live on their parents or brothe and sisters, went into lodgings an thought that they had met the situ tion. However, the Lancashire Count Council, ever ready to help the Gover ment, set about reconsidering the cases, which had already been grante by the public assistance committees, b were subject to their review. I hav here a report from the Lancashi County Council which has gone int these matters:

> "The special sub-committee beg to repo that they have held four meetings and the decisions, which have been put into forc are as follows: Transitional payments u altered in 27 cases."

These are cases of young men and wome who have left home and gone int lodgings:

> "Transitional payments reduced in cases. Transitional payments disallowed 182 cases. Cases not reviewed in con quence of applications not being renewed 87 cases. Decisions deferred in three cases

Here is the tragic side of it:

> "It is reported that some of the sing young persons who had left homes whe the family income was adequate for suppo of all members of the household, and w have now been determined to be not need of transitional payments have appli for relief and have been offered admissi to the public assistance institution."

So we have the tragedy now of young men and women being told that they an have nothing because other members f the family are bringing in money. It s not a question of having reserve funds r anything like that, but simply of the arnings of the family. If there is one ragedy worse than another, it is that. A ountry that is driven to that state of hings deserves all the condemnation that an be applied to it. No wonder Rotheram and other places are venting their isgust and anger on the Government. Whenever a chance is given in any inustrial constituency, the Government ill not be safe in any seat with a ajority under 10,000, and no one can ay they deserve any better. It is all ery well for Members of the Government address public meetings, as the Minisr of Labour did not long ago and say: "We are the envy of the world." When oung men and women are sent to public stitutions, there is not much to be vied from my point of view.

I trust the Government will take this a warning and will bear in mind what e Lord President said yesterday, that was not going to cut down the public rvices any lower. I would advise the inister also to pay attention to transional payments. The Lord President id yesterday that for 11 years he had en battling with unemployment, and e Chancellor of the Exchequer not long o said that we should not get rid of employment for 10 years. So we are the middle of 21 years of a lean period, d at the end of that time it is expected at something may mature. If the Govnment have any hope in their policy all, any belief in what they are putting ore the House of Commons, any belief the revival of trade, they ought to try ring that period to keep those who not get work in something like decy. They are an asset of the nation, d they will remember how they were ated in a time like this. The country ill afford to be harsh with its zens at a time when there is plenty money to meet their needs. My appeal day is that, when the chance comes— hink it is here now—the Government review not only the social services all other ways of dealing with the mployment problem.

should have been very glad had it n possible to get some indication from the Government as to what line they intend to take to meet the situation. I should like to deal with the shorter working period. I see there is an amount here paid for a delegation overseas which has been sent to deal with that matter. We were told that, if other countries dealt with this matter, we were prepared to deal with it. I expected from that that our delegation at Geneva would have said it was the only way to deal with the present economic situation, and were ready to join with other Governments. The Minister has tried to explain that they have to be very careful of what they do. I should have thought that, this being the leading country of the world and the envy of all other countries, the Minister of Labour would have given instructions to the delegates acting on his behalf to give a lead to the world with regard to shorter hours. He has not done so, and to-night we on this side of the House will go into the Opposition Lobby to see how many we can get with us to show disgust at the present treatment of the unemployed.

6.46 p.m.

Mr. MANDER: I desire to associate myself with the attempt which was made a few hours ago to move the Adjournment of the House in view of the situation which had arisen. There is no doubt at all that the Prime Minister, at Question Time to-day, did, intentionally or otherwise—whether he quite realised what he was saying or not I do not know—convey the impression that the Minister of Labour was about to lay before the House an important statement of Government policy showing the schemes by which the unemployed were to be absorbed. I was rather surprised to hear him, I must say, but he did say it, and he made the statement over again in reply to supplementary questions, and I feel that the Prime Minister has let down the Minister of Labour very badly. I hope that we shall have the promised statement, if not to-day, at the earliest possible opportunity. I assume from what the Prime Minister said that there are schemes of some kind in somebody's brain in the Government which are coming out some day. We were promised them this afternoon, and I only ask that we may have them at the very first opportunity.

I desire to say a few words on the subject of the means test. I represent

[Mr. Mander.]

the town of Wolverhampton, which has just had a long controversy with the Ministry of Labour and has refused persistently and consistently up to the present time to administer the means test on the lines demanded by the Ministry of Labour. The remarkable thing about it is that Wolverhampton is a very steady and moderate town, with a Conservative majority on the town council, and on most occasions when this question has come up there has been unanimity, and in other cases a majority of all parties, including the Conservative party, voting in resistance of the demand made upon them by the Ministry of Labour. They have taken the view that the scales which they were asked to administer were so harsh and unreasonable that they, as humane and reasonable citizens, could not be asked to carry them out, and, in fact, would not carry them out. It was only when, a week or two ago, they received a definite intimation from the Minister that he was about to send a commissioner to take over their duties, that by a majority they decided, in the circumstances, that it was better to give up the struggle. I know that at the present time negotiations are proceeding, and I hope that something satisfactory will be arranged. But I am very much afraid that it will not be satisfactory from the point of view of the unemployed of Wolverhampton. To show the attitude that this Conservative majority felt obliged to take up, I will quote the resolution sent to me by the Town Clerk of Wolverhampton on 27th September last, which says:

> "I am instructed by my council to transmit to you the following resolution passed by them at their meeting yesterday.
>
> 'That this council, having made every endeavour to meet the wishes and instructions of the Ministry of Labour in the matter of the administration of the means test, and realising out of past experience thereof the hardships entailed upon many of the applicants for transitional benefit and the increased and increasing cost of the local Poor Law rates resulting therefrom, calls upon His Majesty's Government to take immediate steps to abolish the means test in the administration of unemployment benefit.'"

Whether they really quite meant all that, I do not know, but with two dissentients they passed the Resolution on that date asking for the total abolition of the means test in the way it was then being administered. It is an expression of revolt against the administration. I will quote two examples showing the difference in the scale between what Wolverhampton were administering and what they were asked to do by the Ministry of Labour. In the cases where there is no income, persons and their dependants, and single persons living with persons other than relatives, and single persons over 18 living with relatives, present scale 15s., Government proposed scale 10s. In the other case, cases in which members of the household are earning, ascertainment of income for man, wife and two adults, the equivalent present rate is 30s. and the Government ask for a rate of 23s. 3d. It is right to bring these facts to the attention of the House because they show a very remarkable outburst of responsible and sober opinion in a town which is not accustomed to take wild or extreme courses of any kind. [An HON. MEMBER: "They elected you."] I think it shows that the Government will have to take into serious consideration the great feeling existing throughout the country in regard to this subject, and no doubt they will be dealing with it in a Measure shortly to come before the House and to which, of course, I cannot refer to-day.

I believe that there are certain steps which even now the Government might take by administrative action to ameliorate some of the harshnesses of the present system. For instance, there is such a comparatively small matter as giving a personal hearing. People on the means test attach enormous importance to the right to maintain personal contact with those administering it, and to be able to put before the committee individually their own personal circumstances. There is no statutory right enabling a person to appear, but I suggest that in this and in other cases, the Minister, while he cannot give a definite instruction or make it mandatory, should issue a circular to the authorities pointing out that from his experience and in his judgment it was wise, sensible and a humane thing to carry out certain practices in the course of their administration. Reference has already been made to the question of a uniform scale and to publicity being given. The scale is regarded as confiential at the present time. People ave the greatest difficulty in finding out hat the scale is supposed to be, or ithin what limits there can be varia- ions. I suggest that the Minister should ive some guidance upon this matter to he different committees by way of rcular in which he should suggest rtain maximum and minimum scales nd give the committees the discretion act between those scales, and then to ublish it so that everyone might know xactly the suggestions.

There is the question of rent. The in- stigator goes round and makes inquiries to the rent which is being paid, and ou will find that, in spite of the varia- on in rent—the council houses being uch more, of course—no different allow- nce is made. They are all treated actly the same. Therefore, again I ink that a word or two from the inister might have very happy results. ere is the question of dating back. I not know whether it is possible under e present law for such a thing as extra owance to be dated back from the date birth. It is reasonable in a time such that to which I refer that if within the st fortnight application is made, it ould be allowed to date back to the date birth. At the present time it is erating very harshly in many cases be- use there seems to be no elasticity.

nother matter which causes a great l of feeling is the question of what is ss income. There, again, I suggest t some ruling ought to be given. There many who ask whether it is the whole ome which comes in, or whether there not be some allowance for things such hospital contributions, insurance of erent kinds, trade union contributions travelling allowances. Members of family may have to go away and k in a different town and have to go rain. These are deductions from in- e and yet they are treated differently ifferent places. Sometimes they are uded, and sometimes they are not. re can be no case at all for differ- ating as regards different ways reatment. The Minister could do a t deal even at the present time to gate and to moderate the undoubted rity of the system as it is now ating.

wish to ask the Parliamentary Secre- a question with regard to something which was said by the Minister just now. He referred to the success with which instructional classes for juveniles receiving unemployment benefit were being carried out. He said, I believe, that 150,000 had come under its operation during the past year, and that it had gone about as far as it could go. But that does not seem to be quite consistent with a reply which he gave me a few days ago when I asked him for a list of the places where no such courses were being carried out. I will not mention the names of any of those places, because there may be some good explanation in individual cases and I do not want to pillory them, but I would point out that there are 18 counties in which no arrangements are made. There are 14 county boroughs, 50 boroughs and 13 urban district councils where no arrangements of any kind for the training classes are in operation. While I know that the excuse given is that in some cases the number of unemployed is very small and that it would not lessen them, and that in others the juveniles are being dealt with in classes of another authority, I do not think that it can possibly explain the very large figures which I have just read out, and I ask the Parliamentary Secretary to give us some more information about the matter.

My hon. Friend who opened the Debate to-day referred to the long and sad history of the Washington Hours Convention, and naturally did not stress, perhaps, what happened between 1929 and 1931 quite as strongly as what happened between the years leading up to that time. I pointed out to him in an intervention that the Labour Government, unfortunately, did not themselves ratify, and did not even bring the Bill forward for a Second reading. The Conservative party certainly did not do it, but they did not promise that they would. The Labour Government promised that they would do it, but they did not do it.

Mr. T. WILLIAMS *rose*——

Mr. MANDER: My hon. Friend may be satisfied with what I am going to say. He gave two reasons. One was right, and, I think, the other was wrong. He said that they did not do it because they could not rely upon the support of the Liberal party. The Liberal party kept them in office for a short period, and we

[Mr. Mander.]
received a lot of abuse for it. I think that we were right in doing it. As far as I know, no suggestions and no requests were ever made that we should support the Second reading of the Bill. There is no doubt at all that we should have supported the Second Reading of the Bill, and it is not fair to throw upon us such a responsibility when it was due to the failure of the Government of the day. The real reason was given by my hon. Friend when he said that he did not realise until now how many Tories there were in the late Labour Government. I think that that is the real explanation; that some of them had such a reactionary tendency that they were not sufficiently keen about it.

Mr. T. WILLIAMS: May I recall to the mind of the hon. Member that the statement which I made at first was that the Labour Government, or at least the Ministry of Labour at that time, did produce a Bill for the purpose of giving effect to the Washington Hours Convention. The Bill was introduced into this House, printed and made available to Members. Subsequently we learnt, rightly or wrongly, from official sources —a source no longer available to this party—that after the usual feelings had taken place they were assured that no majority could be obtained and that consequently it would be a waste of time securing a Second reading. My only reason for intervening is to absolve all those back benchers of the then Labour party, and some perhaps on the Front Benches, from any sort of blame, which I want to be transferred to where it belongs.

Mr. McGOVERN: I wish to ask the hon. Gentleman a question, because we had better have the matter cleared up now. A statement has been made in official circles that the reason for not proceeding with the Bill was because the Liberal party had definitely refused to support it. Can he tell us whether that is accurate or not?

Mr. MANDER: It is entirely untrue. There was no meeting of the Liberal party. The Chief Whip informs me that he has no knowledge of anything of the kind. I think that the statement by the Chief Whip of the Liberal party can be taken as correct. On many occasions I pressed the Labour Government to sa whether they were going to bring a Bi forward, and there was always the usua reply one gets from the Government. hope that the hon. Member will adop his own suggestion, which is the tru one, and not try to throw the respons bility on us. With regard to the attitud of the representative of the Governmen at Geneva on the 40-hour week, I regre that the Government were not repr sented there by a responsible Ministe Surely the Minister, or the Under-Secre tary, who have ably represented thi country when they have been at Geneva might have gone on that occasion. Surel the matter was of sufficient importance t this country, and the whole world. The should not have sent an official howeve competent.

From all the evidence we have, it clear that the attitude of the Gover ment on this proposed convention ha been, from the beginning, one of defini and deliberate obstruction. They hav been driven on and on until they hav got into the position that they a obliged to say they are willing to discu it, and to make inquiries and other i vestigations as to carrying it out. The have done that only because they hav been driven by the pressure of oth countries. I believe that the only su porter was Portugal, which is not great industrial country. Instead taking the lead we were waiting at th very back, and trying to delay as mu as we possibly could. In the years come—it may be a great many years the hours of work will be shortene There is not going to be enough wo to go round for everybody. The soon we get down to the study of the immen difficulties involved in this question t better it will be. It has been found th no conference can succeed unless the is sufficient technical preparation befo hand.

I am sorry the Government have alli themselves with the Employers' Associ tion, who, throughout, have taken up t attitude that they are opposed to a consideration of the 40-hour week. Th is a quite impossible situation to defer I agree that we certainly do not wa a convention to be drawn up, like many are, which will be signed and r ratified. The Government having got this point, am I sure they will stu he question carefully, so that when e finally come to a convention—it ay be some years hence—we shall be ple to sign it, and every country will e able to carry it out. I hope the nder-Secretary will bear in mind the uestion I put and not be satisfied with king the employers Federation their ews, but go directly to some of the dustries and put it to the joint indus-ial councils of representatives of em-oyers and employés, who are very osely interested in a thing of this kind. e Government, I hope, will not allow to be pushed aside by those having re-tionary and antiquated points of view.

There is a possibility of introducing, on limited scale in this country, the hour week, without reduction of wages where rationalisation is taking place, rrying with it reduction of employment. concurrently with that, the industry, employers, will arrange to reduce the urs to 40, we can maintain the same e of wages but can restrict, and limit, amount of discharges otherwise in-table. I know this matter has been, is being, considered by many indus-s in this country. It is perfectly cticable from the business point of w. I hope to see it widely extended the years to come. Such action is olly dependent upon rationalisation ing place concurrently with reduction hours. In sheltered industries some-g of that kind can be done. In pro- work it is often found that Saturday ning is an uneconomic unit.

would like to refer to a question with h the Minister dealt—the grant made ne National Council of Social Service. Under-Secretary in replying will, I be able to tell us rather more of schemes contemplated, and exactly is being done. While I quite agree any effort of that kind is merely ching the surface of a problem and ot relieve the Government of their onsibility, I do believe that through organisation most admirable work be and is being, done. I wish the rnment well in the efforts they are ng and in anything that can be done ghout the country to make the un-oyed feel they have something to py their minds and hands, instead of ling idly by. That is going to make at deal of difference to their lives. rtain places, and I may give as an example the Good Companions Club in Wolverhampton which was inaugurated by the Mayor, there are occupational centres where all sorts of activities are carried on in a voluntary spirit. These make a great difference to people who have nothing to do but sit at home or walk about the streets. To sit in rest rooms, or other places provided, has less value than the occupational centres working under this scheme. In pressing forward with that work I wish the Government every success, believing it can bring a few rays of hope to the darkest night of unemployment.

We have, unfortunately, not received to-day the proposals of the Government for dealing with unemployment, which we were led to believe at Question Time would be given to us. The Government will be judged by their failure or success in dealing with the unemployment problem. They have abundantly failed up to the present time. The situation has got worse. Their policy is an unimaginative, defeatist policy. They are prepared to accept the situation as it is and make no bold step to get out of it. If that is what they are going to do for the rest of their period of office, we shall see no more of them in the next House of Commons. For the sake of the unemployed, whose interests are above any party or the men who sit on these benches, I hope the Government will change their attitude and, instead of being a weak and feeble Government as at the present time, they will become a really constructive, able, National Government worthy of the name they do not deserve at present.

7.10 p.m.

Captain HAROLD BALFOUR: I think the speech we have just heard from the hon. Member who was elected to support the National Government is scarcely one which we can regard as really helpful and constructive. Carping criticism——

Mr. MANDER: I was elected to support the National Government as it then was, with my trusted leaders in that Government. I have no allegiance to the Government except when they are doing right. Then I wish to support them.

Captain BALFOUR: It is always easy to give support when times are good. One wants friends when up against difficulties. Then it is we know the real

[Captain Balfour.]

mettle of supporters, because they will stand up when the storm is blowing and not desert the deck and leave navigation to those on the bridge.

Mr. MANDER: You are going on the rocks.

Captain BALFOUR: If the hon. Member sights the rocks it is better to stay on deck rather than to skulk below to save his skin at the next election. We have heard from him a loud voice and shallow proposals. I would have confined that definition to the speech of the hon. Member for Don Valley (Mr. T. Williams). It was loud in declamation and contained little constructive criticism, but he is now allied to the hon. Member for East Wolverhampton (Mr. Mander) and is in the same camp. Without being like the last Socialist Administration, which was always willing to make promises, in order to take advantage of a momentary opportunity. We are endeavouring to take a long view. I am not ashamed to use the words the Government have had thrown in their faces—we are "pegging away." There are worse things than that, but it is a policy that opportunist Oppositions have not been famous for in the past.

The hon. Member for East Wolverhampton did deal with one subject, although some do not agree with the way he proposed it should be carried out. I believe there is a general body of support in the House of Commons for the idea that by some means or other, at some time, we are going to solve a great deal of our industrial troubles by a shorter working week. My friends and I support the common-sense point of view of the representative of the Government at Geneva. When the patient is ailing, and failing, then is not the time for very experimental remedies. When, with patience, we have got the world into a better way again we can seriously take an appreciation of the situation, and see whether we cannot then have the shorter working week. We have got to wait possibly one, two or three years until we have got the industrial life of this country running not in a series of jerks and crises, but running more on oiled wheels than it has been in the last few years. Then, I believe, we are going to have a solution of much of the problem by the shorter working week. We are not ready for it yet. We have a long way to go in educating the people of this country to enjoy the greater amount of leisure which will be given, and make sure tha the country is going to have nationa benefit from the increased leisure which will eventually come about when th shorter working week is introduced.

There are two particular points in the administration of the present Unemploy ment Insurance Act to which I would like to draw attention. It would be ou of order for me to make proposals which would involve legislation, but I believe that the Minister of Labour by issuing a general direction with regard to sub stitution work could help in the faire administration of the present Act. We find in every shop window, and on every hoarding, posters telling us to "Spend for employment." Many people are endeavouring to take an unemployed man for a short period of the day especially a man who has a family to support, and are trying to help such men by giving them a little extra work. The majority of these men are genera labourers—a varied category. Their hours are considered to be from 8 o'clock to 5 o'clock or 8.30 to 5.30. If a shop keeper wants to employ a man cleaning windows, or the doorstep, between 8 o'clock and 5 o'clock or between 8.3 and 5.30, and gives him 1s., he is deprived of benefit for the whole week for which he daily pays him that sum. If I like to tell that man to come after hours, afte general labourers' hours are over, he i not penalised, because he comes unde the heading of subsidiary work. I believ the Employment Exchange managers ar giving the widest possible interpretatio on this matter. By some encouragemen from the Minister in the way of a genera direction a great many men would not b penalised when they are given work a the present time, as they are bein penalised unintentionally now by thos who are trying to do them some good.

A second point is the general disco tent as regards the administration of th present Act to seasonal workers, pa ticularly those who are employed a seaside resorts in hotels, on season employment. The very word "insurance denotes a risk. The trouble with thes seasonal workers is that there is ver little risk about them, because during th ason they are virtually certain of nployment while during the off season ey are virtually certain to be unem- oyed.

Mr. HUDSON *indicated dissent.*

Captain BALFOUR: The Parlia- entary Secretary shakes his head. At y rate, in my area, where there are proximately 1,000 seasonal workers o have been struck off at the present ne, a very considerable percentage, up the nineties of those men and women continuous employment during the son. Equally a very high percentage them were struck off, although as sonal workers they are not employed ring the off season. They are only itled to benefit if they can show what called substantial employment during off season in two previous years. I nk that 15 stamps are usually taken indicating substantial employment. ese men and women to-day cannot w those 15 stamps. Nevertheless, y are paying all the time that they in employment, and the result is that have people paying stamps all the e compulsorily, and yet they are un- e to draw any benefit during the iod when they are unemployed. It is good the Minister telling me that y are good risks and that those are sort of risks he wants for his fund it is no comfort to these people to w that the fund is bankrupt. They not get benefit in the off season when are unemployed, which is to them main factor.

ere are two suggestions that I should to make. One is that the benefit ld be paid in relation to the actual loyment year, not on the theoretical loyment year of January to January, on an employment year beginning in case of the seasonal worker at Whit- ide and lasting until the 15th Octo- which is the season in my particular . At the present time they are not ved benefit unless they have 15 ps for the previous 12 months and tamps for the 12 months before that od, and it can safely be assumed that of these people will be unemployed ng the winter. If the employment could be altered in the way I sug- you might have to give these people wer benefit, but at any rate they d be getting something for the employment stamps that they pay at the present time. Alternatively, I hope to see one day some co-relation of the benefit to the number of stamps paid, but I cannot enter into that subject now, because it would be out of order. The alteration that I have suggested could, however, be carried out now under the present administration. I should like the Minister in his reply to deal with these two points, that of the general labourers and subsidiary work and that of the seaside seasonal workers.

Finally, although there are anomalies and difficulties in the administration I think that most of us find that the managers of the Employment Exchanges have the general confidence of the unemployed. The hon. Member for East Wolverhampton (Mr. Mander) made a suggestion about a greater personal touch, and I heartily agree with him on that point. It would help tremendously a great number of unemployed if the Minister would send forth a general direction that Employment Exchange managers should have two or three hours in the week set apart when they would not discuss individual cases with any particular man, but the men could go to them and ask for general guidance and knowledge about the law as it stands. All of us in our constituencies come up against cases where the man is puzzled and does not know where he stands. In such cases I take the man to the Employment Exchange manager, and I do not think that there has been a single case where, after a talk with the manager, the man has not come away, if not satisfied, at any rate clear in his mind. We owe a great debt to the administration of the Employment Exchanges. Hard as is the lot of the unemployed, there is no monopoly of consideration for them on the Labour Benches. There is consideration for them in all parts of the House. We are all trying to do our best and shall continue to do so, regardless of the taunts of the Opposition.

8.20 p.m.

Mr. McGOVERN: I have listened with interest to the speech of the Minister of Labour in regard to the application of transitional benefit, and I want to say at the outset that I, like other hon. Members, have no complaint to make of the officials of the Ministry in the area that I represent. They are discharging a

[Mr. McGovern.]
difficult and thankless task in a manner becoming people who hold a very difficult position in the community. As far as my area is concerned, I think the officials almost to a man are considered white in their character as regards the application of the Act. My difficulty in approaching the subject matter to-night and the points that arise in connection with ordinary transitional benefit is in knowing exactly who is responsible for the application of the benefit to the great mass of the people of this country. When one goes to the ordinary inspector and raises points of difficulty he says: "I am not responsible. You must see the divisional supervisor." When you go to the divisional supervisor, he says: "You must go to the area supervisor." You march to the area supervisor, and he says: "I am sorry, but you will need to see the head inspector of public assistance, because I am acting on the directions that have been handed to me."

You go to the head inspector of the public assistance committee and he says: "The public assistance committee have made a decision and I cannot alter it or modify it in any way." When you approach the members of the public assistance committee, and the Labour or Independent Labour Members raise the issue, the chairman of the committee says: "I am sorry, but the Ministry of Labour are responsible for all the laws laid down here." You may then go to the manager of the local Employment Exchange to point out the difficulties, and he says: "I am sorry, but the officers in Edinburgh have handed me my instructions, and I have only to carry them out." You write to Edinburgh, and they say: "We are sorry, but it is the Minister of Labour who is responsible." You approach the Minister of Labour in the House and he says: "I am sorry, but it is the public assistance committee who are responsible." You go right round, like hobby horses on a fair ground.

One cannot approach this subject without knowing that there are difficulties thrown up at every turn and that the ordinary Member cannot get to grips with the problem. We have heard references to a promise made at Question Time today by the Prime Minister. I listened attentively to the Prime Minister, as I have done since I was 20 years of age, and I say quite frankly that if Members of the Opposition read the question and the answer, together with the supplementaries, they will, after applying their reason to those answers, come to the opinion that no one can tell what the Prime Minister did mean when he gave his answer this afternoon. I will give him the credit for this, that he can be very definite when he desires to be definite. He was very definite when he joined the National Government. He made no doubt about that. These indefinite statements that are always made by the Prime Minister are made for the purpose of refusing to get to grips with the problem that is being put up to him at the moment. Anyone who has read his books and other writings must know that he has always written in the same manner as he spoke this afternoon. He said that the Minister of Labour would throw up schemes of work this afternoon, but anyone who applies his reason to the matter knows that the Minister of Labour and no Member of the Government will throw up any schemes during their period of office that are going to be beneficial to the working classes. We have at the present time on the Front Bench relics of the stone age, who are not going to apply their minds to the problems which society is entitled to demand should be dealt with.

I am always told that a mere denunciation of the Government is the wrong way to treat the House of Commons. I do not agree with that point of view, but I am always willing to try various methods. I am not too conservative in my ideas. I like to have regard to the needs of the time, and I am going to try to get some concessions from what may be termed a hard-faced, business Government. Here is one problem that arises in the application of ordinary transitional benefit. Take the case of a family. The son is out of employment. He draws 15s. 3d. a week ordinary benefit, and goes to a home where there may be the case that is very often cited by members of the Government, where the family income is £10 a week. He pays in his 15s. 3d., or retains it, but that is not the point; he gets the benefit of his 15s. 3d. during his period of ordinary benefit. But a son who draws his ordinary benefit and pays it into a home where the father is on transitional payment has immediately deducted from him part of the ordinary benefit. Whether he is on transitional payment or ordinary benefit, there is no difference. I want to know whether the Government are prepared to deal with cases of hardship of that sort. I should like to know whether the Government are prepared to modify their instructions to the extent of giving an applicant who is drawing ordinary benefit the full benefit of his 15s. 3d. per week during the period he is drawing ordinary benefit.

I want the Parliamentary Secretary to take note of these points—I am not so much a rebel to-night as a statesman—and I want definite replies to these points because they are of interest to a number of my constituents and to the working classes throughout the country. The Glasgow Public Assistance Committee are, as I conceive it, committing an offence against the State in their application of State funds. Take the case of a boy who is excluded from the home; the father says that he is not prepared to retain him in the house because he is receiving nothing at all. He tells him that he had better get outside into a room or lodgings and get ordinary benefit. If the son or daughter is definitely excluded from the home the public assistance committee are refusing, if the income is of the bare amount which excludes him from any kind of benefit, to give a son or daughter outside the home any benefit at all. Since this policy has begun to operate we have had a considerable number of cases in the city of Glasgow where young men have been charged with house-breaking and other offences against society. I went down to the ordinary courts the other day and I found that during the week there had been over 70 cases of persons charged with housebreaking, and that a number of these were young men who had been refused benefit. The Secretary of State for Scotland and the Under-Secretary of State must know the great effect this exclusion from benefit is having upon young men and young women. I maintain that if a father or mother definitely excludes a young man or woman from the home because of the lack of any income that the Minister of Labour must see that ordinary transitional benefit is paid to them to keep them out of crime.

There is also the question of the family with a number of sons and daughters who are working out of town. I maintain that within the confines of the means test or transitional benefit that conditions might be laid down which would be absolutely fair without asking the Government to go outside the Act. There are three sons at home working, and drawing £1 per week from their employment. They may be working very near to their own door and are able to go home for their meals. They have no travelling expenses. You may have three members of a family working in an area like mine. They would have to spend 4s. per week in travelling expenses, that is 12s. less per week than the three members of a family who are living on their own doorstep. There are also other incidental expenses in the way of meals, and I suggest that it is wrong for the public assistance committee to rigidly apply the Act in this way and not give any consideration at all to home circumstances. Such an application of the Act may work unjustly in some cases, and there is no reason for making it more unjust than it was originally intended to be even by this National Government.

There are other cases. Take the case of a son in my area who is getting £3 10s. per week; his father and mother are unemployed. They are assessed at 23s. 3d. A sister 21 years of age is assessed at 10s., and another sister of 19 years of age is assessed at 10s., that is a total of £2 3s. There are three children under the age of 14 assessed at 2s. each, which makes a total charge of £2 9s. 3d. against the £3 10s. of the son. The son is 24 years of age and has been going with a young women for three or four years. He is preparing for marriage, but he is left with a margin of £1 0s. 9d. to keep himself, pay his travelling expenses, his insurance, his trade union fees, his meals and other incidental expenses. It is absolutely outrageous for the Act to be applied in such a way as to compel a boy of 24 years of age, who is perfectly willing to contribute to the upkeep of his father and mother and brothers and sisters, to contribute £2 9s. 3d., and who is definitely prevented from getting any surplus with which to furnish a house and prepare for his marriage. He is faced with the alternative of walking out of the house or of incurring tremendous debts in order to furnish a house. That is outrageous. We ought not to allow a man in one area 12s., in another area £1 and in another area 25s. We ought to have a rule applied by the Ministry of Labour

[Mr. McGovern.]
or by some responsible person, and there ought to be greater elasticity than is in evidence at the moment.

Here is another case of two brothers living in the same house, but not in the same room. They pay 7s. 6d. per week for light, coal and rent to the tenant of the house, and they are treated by the public assistance committee on the same scale as husband and wife. They are paid 23s. 3d. because the Glasgow Public Assistance Committee lay it down that father and mother, brother and sister, or two brothers or two sisters, who are adults shall all be assessed and paid at the same rate as man and wife. The two brothers pay 15s. per week for rent out of their 23s. 3d., and they are left with 8s. 3d. with which to provide the ordinary essentials of life. If they have three meals each per day, or twenty-one meals each per week, at 2d. a meal, surely not an outrageous amount, considerably less than the amount which hon. Members would give as a tip to a waiter in London, 42 meals at 2d. each, is 7s. per week, which leaves these two with a balance of 1s. 3d. for insurance, clothes, boots and all the ordinary incidentals of life.

Future generations if they look back on the horrors and tragedies of the present generation will wonder at the spirit of toleration exhibited by a large number of people in this country. An hon. lady Member of this House gave an entertainment last week which I am told cost £2,000, and hon. Members of this House who were present will presently come in from the Lobbies, and from all over London, not knowing the question under discussion, and will cast their vote for the Government. The case of the two brothers is not a matter which affects a large number of people, but because of its smallness I wonder the Minister is prepared to tolerate such a policy at all. There is also another point in regard to mother and son. The son draws transitional benefit—a new dodge has been adopted here. They are beginning to eat into the ordinary Poor Law relief paid to the mother. If the son does not live in the house a woman of 68 years of age is entitled to 12s. 6d. per week, plus 2s. 6d. because she is an old age pensioner, that is 15s. per week; and 5s. for rent, a total of 20s. per week. But if the son is on transitional benefit they put him on ordinary benefit and pay 23s. 3d. to him; they pay this 23s. 3d. to maintain the mother and son. The son himself is entitled to 10s. and, therefore, the mother now gets 3s. 3d. Something like 6s. 9d. is taken off the Poor Law pay of the old person in order to maintain the son in the home.

Surely that was never the intention of this House. Surely it was never the intention that we should go to an old person of 68 years of age, who has lived a useful life and given to the nation and the locality the best she had, and say to her in her declining years that we are going to take 6s. 9d. per week out of her old age pension in order to maintain a son, which we, an incompetent Government, cannot provide with ordinary employment to carry him through life. Actions such as this are generating in this country a feeling not only of distress but of actual contempt for the ability of any Government to deal with the question. I am not going to say that the present Government have failed or that a Liberal Government would be a great deal better, or that a Labour Government would be a great deal better. They are all inclined to play the same game. The Minister of Labour quoted from a circular issued by the right hon. Member for Wakefield (Mr. Greenwood) when he was Minister of Health in the Labour Government. In this circular the right hon. Gentleman said:

> "In assessing the amount of relief to be applied the general principle is that income and means from every source available to the householder must be taken into account. It should, however, be remembered that when certain classes of income are concerned, such for example as disability pensions or blind pensions, the disability in respect of which the pension has been awarded may be such as to call for a greater measure of assistance than would normally be appropriate."

That means that the disability and blind pensions certainly have to be taken into consideration. Then there is the further point, which is a perfect gem.

> "Again it is proper that the earnings of widows and children should be taken into account when relief is assessed."

That is, the 2s. 6d. of the milk boy and the 2s. of the paper boy have to be taken into account, according to the instructions of the late Labour Minister when the income was being assessed. We have heard recriminations to-night. We have heard how the Liberal party were supposed to have prevented the Labour Government from carrying out the Washington 48-House Convention. The Liberal Members jumped up with indignation, and their Chief Whip, the right hon. Member for Caithness (Sir A. Sinclair) said: "I was the Chief Whip, and it is untrue that we prevented the Labour Government from passing the Convention. We were never consulted and never asked to support the Convention." I was always led to believe that the Liberal party had been a little more progressive than the Labour party, and we were rather surprised to be continuously reminded that they had prevented the Government from carrying this Bill. Liberal and Tory and Labour have all had their opportunity of modifying or abolishing unemployment, but they have made no inroad into it at all, and it has gone steadily up and up.

I remember listening to the speech of the Prime Minister when he was providing money to patch old trousers or something of that kind; £25,000 they were to give in order to carry out various schemes. After I had heard his speech about the societies that were to deal with the welfare of the country, I said to myself "My ——, is that the man who is running the destinies of the nation? Is that all he can suggest for dealing with unemployment?" An hon. Member said just now that the Government had their backs to the wall. They will be very lucky if they do not finish up with their backs to the wall and a firing squad in front of them, and I would be delighted to be the man who had charge of that firing squad. All the meannesses and the tyranny and the cunning application of the Act that are being employed are disreputable to a Government that boasts periodically of the wealth it commands and controls in the country. The Government have reached the stage of always taking the penny out of the blind man's tin in order to save those who are at the top of the social tree.

The Government are not only failing to deal humanely with the unemployed of the country, but they display neither the desire nor the capacity to deal with the unemployment problem. They are not attempting to deal with it. They are like mummies in a museum. They are like so many Micawbers waiting for something to turn up. It will turn up. A reckoning will take place. One cannot fail to see the evidence in every country of the world to-day, the grumblings and rumblings of discontented and impoverished classes who are in open revolt against a system that can go on piling up wealth and reducing to penury and starvation the large mass of the people. Quite frankly we look forward, not to a change from a Tory or Liberal Government to a Labour Government, because they have all been tried and found wanting, but to a social revolt and social revolution to clear away the debris and ruin of the present system.

7.50 p.m.

Mr. DORAN: I do not wish to identify myself in any way with the observations made by the hon. Member for Shettleston (Mr. McGovern). He has referred to a revolution in England, and I would remind him that a couple of policemen and a shower of rain will kill any revolution in this country. I want to remind the hon. Member, who is seeking to spread the fire of revolution, that he merely represents one ten-thousandth part of a very small element in this country. I have criticised the National Government and I will continue to criticise it. I have in the course of my letters to the Press challenged the Prime Minister in far more vigorous terms than hon. Members on the Opposition benches have ever dared to use.

Mr. BUCHANAN: You forget that the Prime Minister has been ill.

Mr. DORAN: At any rate I congratulate him upon the fact that he confesses that he is ill. Hon. Members opposite are ill and do not know it. I do not think that the present situation in this country lends itself to any kind of banter, or rancour in any sense of the term. I am just as well aware of the evils that prevail in this country as my hon. Friend the Member for Shettleston. I have gone through just as hard a mill as he has, and I have just as much sympathy for the downtrodden worker as he has manifested in this House to-night. But I am a supporter of the National Government. If I have criticised that Government, if I have taken the Prime Minister to task—and I have—I have done it from the purest and best of motives, in order to save the National Government and to try to lend a spur to its endeavour.

[Mr. Doran.]

This afternoon we have seen a wonderful display of red rosettes on the Opposition Benches. Hon. Members have been celebrating their victory in Rotherham, and quite rightly too. I want to pay a compliment to the victor of Rotherham, and say that this man has arrived in the House of Commons as a warning to the Government. Rotherham is a lesson to the Government, and I hope the Government will take it as such. I would rather see Rotherham lost to-day than see the entire country lost to-morrow. I hope the Government will take the hint that the public opinion of this country is changing. I am defending the National Government because I realise, as many in this House realise, that if this National Government fails it is the end of our parliamentary institutions. The people will never trust a Government again of any shape or colour. If this Government fails we are going to put Communism in the saddle, or a dictator, and Great Britain does not require either. As a friend of my country and defender of my Empire I am going to see to it that, as far as my power in this House is concerned, something will be done to justify the existence of the National Government.

I know that I might easily outline schemes to cure unemployment, as other hon. Members have done. Everyone to-day has a scheme to cure unemployment. We have midget Mussolinis, neurotic Napoleons and washed-out Wellingtons at every corner. We know that everyone to-day has a cure. We are told by people outside what we ought to do for unemployment. I might even suggest, as I have suggested, that we could fill up our obsolete canals with concrete and make a road for the carrying of heavy transport. I might suggest that we remove the slag heaps outside Newcastle and Manchester and Middlesbrough and Birmingham and Wednesbury, and fill up the terrifying gaps that we find in the Cotswolds and in Derbyshire. I might suggest that by doing this we could reclaim land equivalent to two counties in England. I might even suggest that we electrify the railways coming into London. I might even suggest that we knock off the beer duty and put the people back into work again. I might even suggest that we reduce Income Tax and thereby leave more money to be devoted to real industry. A little later on I will tell you why I do not make these suggestions.

We have seen other countries progress. We have seen the Dutch people reclaim the Zuyder Zee. They have given work to their people and they have added value to their country. I wonder if any of us has heard of that wonderful statesman Mussolini, belonging to Italy. He has rebuilt an entire nation. He has put into operation principles of reconstruction, and he has made his country one of the foremost countries in the world. I see this and many of you see it. The Prime Minister this afternoon gave a very negative answer; he was very evasive; he seemed to have no policy at all. I am willing to agree with the Opposition that he certainly let the Minister of Labour down very badly. We have heard a great deal of talk about Geneva and about Lausanne and about Palestine. I want the Prime Minister to think of London and Liverpool and Manchester. I want the right hon. Gentleman to try to forget his foreign comrades and to concentrate on the people of England. I am not concerned about any foreign countries, but I am concerned about what I have seen when I have gone through some of the districts which my hon. Friends opposite know. I have gone through the Cowcaddens and the Gallowgate districts of Glasgow. I have gone down the High Street of Edinburgh. I have gone through Ancoats in Manchester; I have gone through Aberdare and Rhondda and Rhymney, and I have seen the destitution and the misery of millions of our fellow-citizens who are just as good as we are here. I see our industries perishing, our machinery rusting and the look of hopelessness in the eyes of our working people. Is it beyond the power of our statesmen to devise a scheme that will revive national industry? Is it beyond their power to rebuild this old country which is going to disaster? When I go from Rotherham to Sheffield I find out of 121 furnaces only three working. One recalls what Goldsmith said:

> "Ill fares the land, to hastening ills a prey,
> Where wealth accumulates and men decay."

We want men of courage, imagination, sympathy, vigour and determination to bring this country back to solid foundations and take advantage of the wonderful potentialities of the Empire which are at our beck and call. I know that I may be smiled at, but any Member of this House who dares to come forward with a new idea has to take that risk. I realise that and I care not for the risk, because I feel that the time has come for straightforward speaking. The time has come when real men have to assert themselves, party or no party, and tell the country where its salavation lies. I only hope that other Members of this House will give me some little encouragement.

I care not what kind of Government is returned—a Government may label itself "Labour" or "Conservative" or "National" but every hon. Member knows, and every one would confess it if he spoke from his heart that whoever comes here in charge of a Government is the slave of the permanent official. There is no Minister on the Front Bench; there was not one in the party opposite when they were in office, and there will not be one to-morrow, whatever kind the Government may be, who will dare to go against the advice of the permanent official in Whitehall. When the permanent official advises, the Minister follows his advice. When the Minister is handicapped in some way and wants advice he goes to the permanent official. The permanent official is not the man to risk his job. He will undertake no new adventure that is likely to imperil his position. So, he writes to the Minister and tells him that certain things are impracticable, are impossible, and the Minister in turn is without the courage to say what he thinks himself and is guided by the permanent official.

I do not care what votes the people record or what shade of politician they elect—as between the Minister who has no courage and the permanent official who will not venture to take any risks, the people of England and their destinies are crucified. If you had a Labour Government to-morrow you would be in just the same boat, and that state of things will continue until we have a sufficient number of vigorous, enterprising, fearless men in the Cabinet who will tell the permanent officials exactly where they get off. Until then you will never make one inch of progress in national policy. As things are, in four years time you will be exactly where you are to-night. I am warning the Government as a well-wisher, as one who wants to see the National Government succeed for the sake of the generations which are following us in this vale of tears.

Looking throughout the country to-day mothers may well ask themselves what hope there is for their children. They are in a channel of disappointment and despair. No hope has any father or mother for the children to-day. The ranks of industry are closed, and on the workshop gates we read "No hands need apply." Yet we are importing from foreign countries £428,000,000 worth of materials and food that we could produce at home. Are Lancashire Members who represent the cotton industry aware that Chinese and Japanese goods are being dumped into Manchester and Liverpool throwing thousands of Lancashire people out of work? [An HON. MEMBER: "Why do you not stick to Newcastle?"] I do not wish to stick to Newcastle, for the obvious reason that I represent a London constituency but I happen to know Newcastle better than some of the Newcastle Members. The man who knows London is generally a provincial and not a Londoner. [HON. MEMBERS: "What about Scotland?"] I know Glasgow very well and I may be allowed to say that the last time I had occasion to go to Glasgow I met with a serious accident. A Scotsman asked me to have a drink and I did not hear him—but that is only by the way.

Mr. BUCHANAN: So was the drink.

Mr. DORAN: I want to make this appeal to hon. Members. Never mind party, never mind any particular incident in politics. I ask the Opposition—and by that I mean the Labour party and the Liberal party and the Members of the Clydeside group—if they are concerned about the welfare of this country, why should they be content to gibe at the Government and put obstacles in the way and attempt to score political points when they know that if they were given full power they could do nothing better? Why cannot we put our heads together to do something in the way of national reconstruction; something to alleviate the terrible distress and suffering which exists throughout the country? We have the finest workpeople in the world. I play second fiddle to no one in my ad-

[Mr. Doran.]

miration for the British working man. He is our greatest asset. The other day I listened to a very able speech by the hon. Lady the Member for Cannock (Mrs. Ward) in regard to Empire settlement. I appreciate her outlook and I admire the thoughts which inspired that speech, but I would remind that hon. Lady that the other countries of the Empire are only willing to take our best. They will not take our worst, and as an Englishman I say that we cannot afford to part with our best.

If we are to generate prosperity in this country, if we are to revive industry and compete with the rest of the world, we must have vigorous, healthy men and women and children. It cannot be done with half-starved and weakly people. To-day one must admire the wonderful patience of our people when we see what is being suffered by men and women of the finest character. The men who made sacrifices, who went over the top: who stood for this country in the great catastrophe of 1914, deserve better treatment than the treatment which they are receiving to-day. I do not stand for any general distribution of doles. I hate the word "dole." But the time has come for the Prime Minister to lay down a vigorous, brave, far-reaching policy of reconstruction, to set our works going again, to have the smoke belching from the factory chimneys once again.

Let us first and foremost prevent this country from being any longer made a dumping ground for sweated products from all over the world. To-day in my own division I can walk round the market place and see Russian timber —manufactured, shall I say, under slave conditions—and Chinese and Japanese goods for sale while thousands of our own people are out of work. I ask the Prime Minister: is it not possible for him to come forward with a great constructive policy? I do not want to see everybody put on the roads, for I know that many men cannot do this work. If a man is a carpenter or a joiner or an electrician, you will only ruin him if you put him on to the roads, but surely out of the £130,000,000 that you are whittling away—for the last 10 years £1,000,000,000 have gone into the gutter—you can use some of that money to subsidise your smaller and semi-large manufacturers, help them to take men on at their own occupation, give them £1 for every £2 which they can provide in wages, and save it at the Employment Exchange. You can do this, and you will get a return for your money, and your men will be in their right occupation.

Again, I come back to the point that it all depends upon the permanent official. If he says "No," the Government is finished; he is the boy who has the casting vote. Did I not see it only last week, when all the minions of the British Broadcasting Corporation came down here? Did I not see them lobbying in the most disgusting fashion in this House? Did I not see their little pundits running about all over the place, and the Postmaster-General, like a monkey on a stick——

Mr. CAMPBELL: On a point of Order. Has the hon. Member any right to make remarks like that about Ministers of the Government? May I ask him to withdraw that observation?

Mr. DEPUTY-SPEAKER (Captain Bourne): I do not think that the remark was in the best of taste, but I cannot rule it out of order as definitely unparliamentary.

Mr. DORAN: In view of your opinion, Sir, I will withdraw the statement. We have been told by the Chancellor of the Exchequer that we can hope for no improvement with regard to unemployment under 10 years, or words to that effect. [HON. MEMBERS: "No!"] At any rate, I have followed his remarks, and that is the popular impression that he has caused throughout this country, and it has taken the heart and soul out of millions of our workpeople, it has cast a blight upon them, it has disheartened them, and the feeling to-day in regard to the future of this country is a very poor one. I am not a believer in optimism if that optimism is not guided by intelligent direction. I believe in intelligent direction. This National Government has the greatest responsibility that has even fallen to any Government. Not only is it the custodian of 50,000,000 people in the British Islands; it is at the same time the one receptacle of the world's liberty and peace. If this Government fails, you can say goodbye to your constitution, and to your Empire, and to all the things that you hold dear;

and the man who is really a patriot, the man who has a love for his country and a veneration for its institutions, will do all that he can to inspire this Government, to give it encouragement, and, even although he may be called rude at times to tell it in plain English what it has to do.

I know that I am in a wonderful Chamber, where giants once stood. When I go back to the period of Gladstone and Disraeli, and when I recollect such great men as Redmond and Carson, I feel that those men were giants. They took chances and risks, and because they did so they made this British Empire the finest Empire the world has ever seen. Are we going to replace those giants with Lilliputians? Have we not got statesmen to-day with backbone, not wishbone? Have we not got men who can really understand the principles of the British Empire, not men who are seeking their own ends and ambitions? I am not concerned about the personal ambition of any man. I am going to speak without fear or favour, and I can only say, in conclusion, that if this National Government fails, if our national courage is destroyed, if our bauble of Empire is smashed through our incompetence and because of our lack of courage, the forgiving British people may say, "Father, forgive you, for you know not what you do."

8.21 p.m.

Mr. MAITLAND: Those of us who have listened to the last two speeches have been left with the impression that their main difference lies in the fact that the attack on the Government by the hon. Member for North Tottenham (Mr. Doran) was in the first part of his speech, whereas the attack on the Government by the hon. Member for Shettleston (Mr. McGovern) came in the second part of his speech. I was very sorry that the hon. Member for Shettleston did not give us a little more of his early promise. He started his speech by saying that he was appearing to-night, not as a rebel, but as a new statesman, and I was rather looking forward to the new method which we were going to have from the hon. Member. I do not know whether it was his proximity to his hon. Friends, but certain it was that in the latter part of his speech—and I say this very kindly —he reverted to type, and he finished what was to be a conciliatory appeal to the Government by the expression of a pious hope that he should be the leader of a firing squad to bring about their decease. The hon. Member for North Tottenham has entertained the House, and in that respect I cannot hope to follow him, nor can I hope to follow him in some of his conclusions, and certainly not in some of the condemnations which he has made of those Members of the Government whom presumably he was elected to support. Even comrades in the same party must have at times differences of opinion, and we will just leave it at that.

I was rather struck by the suggestion of the hon. Member for Don Valley (Mr. T. Williams) in opening this Debate, and very sorry that in opening it he got back so immediately to the effete type of Debate which we have had for so many years in this House—regrettably so, too—on the subject of unemployment. Because of what he said, I took the trouble to go to the Library and look up some particulars. I did so for one simple purpose, and that was to demonstrate the futility of such an argument as that the present Government is responsible for the present state of employment and that the present Government alone is responsible.

Mr. T. WILLIAMS: I did not say that.

Mr. MAITLAND: The burden of the hon. Member's speech was to that effect; in fact, he used the phrase: "This Government has brought about great poverty and great distress." If that is not saying that the Government is responsible, I do not know what is. However, I went to the trouble to see exactly what was the record of the last Government in terms of unemployment. According to the figures given in the Unemployment Index issued by the Ministry of Labour, the percentage of unemployment in January, 1929, for Great Britain was 12½. In January, 1931, after two years of Socialistic rule, it was 22. Let us look at the figures at the end of two years of the present Government. The percentage of unemployment to-day is 23.4. If the Socialist party are going to use as an argument the fact that unemployment has gone up during the reign of the National Government, and to place the whole burden of it upon the National Government, they defeat themselves

[Mr. Maitland.]

because of the figures during their period of office. May I remind the House that in Durham the unemployment figures were increased from 22.8 in 1929 to 33.6 in 1931. It is no consolation to admit that since the present Government came into office that increase has been only 7 per cent., but if we are arguing on comparisons we are entitled to say that we have beaten the Labour Government by 3 per cent. In Glamorgan we find similar figures. They are staggering and astonishing. In January, 1929, the percentage was 16.2; in January, 1931, 31.4, and in January, 1933, 40. I do not submit these figures as an answer to the Government's action in dealing with unemployment, but I say that if the hon. Gentleman and his colleagues criticise the Government on the figures we are entitled to reply with a statement of their own record.

We are entitled to assume that the hon. Gentlemen who are sitting on the Opposition Benches are serious and responsible opponents of the Government, and that they are presumably the alternative Government. [HON. MEMBERS: "Hear, hear!"] I am glad to see that the hon. and learned Gentleman the Member for East Bristol (Sir S. Cripps), who is the Leader of the party at the moment, assents to that. May I, therefore, ask him this question. We have heard to-day an interesting speech from a new Member, the hon. Member for Rotherham (Mr. Dobbie). The House is always very generous, and we are glad to welcome the new Member, and we hope that he will play his part in our deliberations. In explaining his recent election, he said that it was won because he fought upon the question of the abolition of the means test. I want to ask the hon. and learned Member for East Bristol, as a responsible Member of the Opposition, if that is the declared policy of the Labour party?

Sir STAFFORD CRIPPS: Yes.

Mr. MAITLAND: If that is the declared policy of the Labour party, what would they substitute for the means test if they were placed on the Government Benches to-morrow? It is no use saying that they would substitute a change in system and in ownership; they must deal with the position as it is to-day. I put it to the hon. and learned Gentleman that no matter what Government is in power they hold a trusteeship for the people of the country. This document which deals with the Ministry of Labour Vote is a tragic document. It represents in terms of pounds, shillings and pence indescribable suffering. The Government must be, and must take the responsibility of being, the trustee of the disposition of such funds as the nation can afford to those who are in distress. We accept that responsibility and do not apologise for the means test. It is the only equitable test which we can possibly have. How are we to find the position of a person without an inquiry? Suppose any hon. Member were asked to distribute £100 to the poorest families in his division. He would have to make inquiries as to the needs of the poorest people in order that he could distribute the money equitably. That principle applies just as forcibly to the disposition of national funds. In certain cases the administration may be wrong but the principle is right. We understand, however, that it is the accepted policy of the Socialist party to do away with the means test. I am anxious to know, and I shall be glad if any of the hon. Gentlemen who are in a responsible position in the councils of the party will pay me the compliment of telling me, what is their alternative policy and how they will discriminate between the needs of one person and another.

We have had in other respects a very interesting Debate, and I should like to join my hon. and gallant Friend the Member for the Isle of Thanet (Captain Balfour) in what he said about the 40-hour week. It is the easiest thing in the world for hon. Members opposite to distort what has been said about the Government's policy.

Mr. T. WILLIAMS: The hon. Gentleman does not suggest that any statement I made distorted the statement of the Government representative? Did the hon. Gentleman listen to the quotation I gave from the official document of the International Labour Office, to which I did not add or detract anything?

Mr. MAITLAND: The hon. Gentleman will accept my assurance that I was referring more particularly to what was said by my hon. and gallant Friend the Member for the Isle of Thanet, and that I was not thinking in any sense of the hon. Gentleman's speech. In the Press and elsewhere we have seen distortion of the real policy of the Government. In a matter of this magnitude we must be guided by previous experience, and we recall what happened in the case of the 48-hour week Convention of Washington. We understand now that the reason why that Convention was not adopted here was that there was a misunderstanding between the Members of the Labour party and of the Liberal party as to whether it should or should not be submitted for approval to the House. If the Labour party believed in it it was their bounden duty to submit it and leave it to the judgment of the House. However, I do not want to go into past history, and would rather say that on the general subject of a 40-hour week they will find, perhaps, a measure of sympathy and agreement coming from quarters least expected. But in the state of the country to-day it would not be a kindness to the workers to introduce a 40-hour week until we were satisfied that there would be no change in the standard of living of those workers. If we were to put into operation a system which involved a reduction of hours in this country without a corresponding reduction of wages, the immediate effect would unquestionably be to impose a greater handicap upon our export industries. It could only be avoided by having a reduction of pay in proportion to the reduction of hours, and I would ask hon. Members of the Labour party if they are satisfied that that is what the workers want.

It is difficult for a private Member to do more than make general statements in these Debates. I have always felt that any descent to details, to a specific proposal, is of no avail, but I understand it is the fact that the Civil Service always give attention to proposals which are submitted during these Debates. In mentioning the Civil Service I would like to dissociate myself entirely from the attack made upon them by the hon. Member for North Tottenham (Mr. Doran). I do not think it is right and fair to attack in this House people who are not able to speak in defence of themselves. I believe it is the fact that the Civil Service take the trouble to fillet all the Debates on unemployment and all other matters in this House and pick out any proposals which are capable of being useful, and so it may be that some suggestion of a specific kind may some day find the light in legislation introduced by a Department. I will venture to make a specific proposal. We have had three days of Debate on unemployment, and we cannot forget the question of unemployment on this Vote. We had a non-party Debate, and many good suggestions were made, but when all is said and done the initiative for introducing legislation to give effect to any proposals, however excellent they may be, must come from His Majesty's Government. I beg the Government to consider whether we could not now have some sort of non-party discussion, lasting for a day or two days or three days if need be, in order that we might deliberate over and consider the views of the Government on any proposal which they thought could possibly be adopted.

Sir S. CRIPPS: They have not got any views.

Mr. MAITLAND: The hon. and learned Gentleman says they have not got any views. I think it is quite unfair of him to say that. They have got suggestions and they have got proposals, and as he is not at the moment a Member of the Government he is not in a position to say whether they have not any views.

Sir S. CRIPPS: The Prime Minister told us this afternoon that the Minister of Labour was going to give us those views in the course of this Debate. They have not been forthcoming.

Mr. MAITLAND: I was in the House when the Prime Minister spoke, and I have a very clear impression of what happened. The Prime Minister was asked Question 46 by the hon. Member for Spennymoor (Mr. Batey), and said there was to be a Debate to-day upon the question and that would provide an opportunity to raise those points. [HON. MEMBERS: "No."] The OFFICIAL REPORT will show what was said. Then an hon. Member asked if the Prime Minister would give a definite statement, and the Prime Minister said, "Wait and see." I never got the impression that there was going to be a specific statement on the part of the Minister, but I got what the Prime Minister said—the fact that it was an opportune time for hon. Members to

[Mr. Maitland.]

raise those points during the Debate, and they have been raised. But may I come back to the suggestion which I was putting forward, for I find myself, quite against my inclination and desires, involved almost in a party squabble. I make the suggestion most seriously that we should have a Debate of one, two or three days in which we might have submitted to us the considered and deliberate views of the Government on the subject of unemployment.

I will risk making a proposal and would like to suggest a simple form in which something might be done. It is my conviction that valuable as are the schemes of work initiated by the Government, and valuable as are the schemes put forward by the local authorities, in the long run it is beyond the power of Parliamentary Government or of local government effectively to solve the question of unemployment. We can do a good deal in that direction, but in the long run we must depend upon the trade, industry, commerce and agriculture of our country. I would like the Chancellor of the Exchequer to consider this one point as a means of encouraging the chiefs of industry to extend their operations and employ more people. At the present time manufacturing concerns get certain reliefs under the Income Tax Acts in respect of depreciation and of repairs and so on, and I suggest that the Chancellor should consider the possibility of extending those reliefs at the present time, because I feel certain that would give an incentive to people to expand and develop their works. Money is available for the expansion of well-founded industries, and it would be forthcoming. Maybe my suggestion would not amount to much, but any contribution that would help is very worth while considering. I am glad that the Government have recognised the very excellent services which have been done in this direction. We sometimes criticise each other, but I am sure that we are all agreed that the present tragic situation may be summed up in this way: The amazing thing to anyone unacquainted with our country must be the generosity of the people who are anxious to help the unemployed, and the spirit and the patience of those who are unfortunately unemployed.

I hope that the Government will not rely too much upon the outcome of the coming World Economic Conference. That would be a mistake. I recognise that we cannot look for any permanent prosperity in industry by acting alone, but prosperity in this country is to some extent dependent upon our own efforts, as well as being dependent upon a proper appreciation of the world position on the part of other countries. I venture to say to the Government that the internal position in this country is one wherein we can do a very great deal almost immediately to help our own people, and I beg the Government that, while they are looking forward hopefully, in a way in which we all must join, to good results ensuing from the coming international conference, they will not overlook those internal possibilities and lose no opportunity of putting into operation every scheme likely to help the unemployed. I am satisfied that if they will act courageously and boldly, and not hesitate to bring in schemes that may be subject to criticism, but will initiate proposals, they will have the warmest support from all quarters of the House.

8.48 p.m.

Mr. EDWARD WILLIAMS: I have listened with attention to a number of speeches in this House to-day, and especially to that of the hon. Member for Faversham (Mr. Maitland) who has just spoken. A remarkable change has taken place in this House in the last 18 months. The Government came in with the greatest majority in the history of Parliamentarism in this country, and for the first few weeks it was evident, from the speeches and from the jubilation of hon. Members who were supporting the Government, that they had at last achieved their ambition of sufficient strength to advance their cause of tariffs, presumably for the purpose of solving the unemployment problem. We have witnessed that tariffs cannot solve the unemployment problem, and the speeches that we have had from the supporters of the Government are not only the greatest possible indictment of tariffs, but of the system that this Government is out to foster.

Mr. MAITLAND: I hope that the hon. Gentleman does not apply that observation to what I have said. If we had not had the application of Protection in this country for the last 18 months, the number of unemployed would have been still more.

Mr. WILLIAMS: The hon. Member may examine the facts of the last 18 months, and if he or any Members of the Government can find satisfaction from them, and not from rhetoric or theoretical differences, they are entitled to have all the advantages that they can from that examination. However, I am not concerned with tariffs, but with unemployment. I question very much whether the supporters of the Government regard tariffs as a means of solving unemployment. One endeavours to give as much credit as possible to the intentions of Members of Parliament, but hon. Members have to confess that they believe in the stabilisation of the present system of private enterprise. He that believes in the stabilisation of this system of political economy is not out to solve the unemployment problem. A labour market is essential for the prosecution of this system. The motive at the back of hon. Members' minds cannot be the solution of the unemployment problem. It is true that it may be possible to bring unemployment to what may be described as comparable proportions, which would be very nice, but for hon. Members to say that they are out to solve the unemployment problem is not true to their own philosophy and their own acceptance of political economy. The thing which amazes me most is not the thing which amazes the hon. Member for Faversham. It is that we have in this country, at a time when great poverty faces millions of people, such an enormous preponderance of wealth, and that there is no attempt on the part of statesmen to bring that wealth into the hands of the people who actually require it in order to satisfy their needs. Hon. Members cannot put up, as a defence for the present Government's ineptitude in this matter, any reference to the Labour Government. That Government never satisfied me, but I realised that it was in a minority and that it was subject to the whims of the Liberals and of any people who were prepared to bargain. I am not putting up any defence for that Government, particularly on the question of the 48-Hour Convention at Geneva. Surely it is a very poor argument to relate the present situation, when we have a Government with such an enormous majority, to the situation when there was a Government that had no power, and at all times was subject to the whims of other people, who obviously were not prepared to support it in the solution of the unemployment problem. The people upon whom they depended were people who believed in vested interests—the very people who are supporting the National Government; and, because they believe in this philosophy, they are prepared to accept this system of political economy. Surely such people would not support Labour in any attempt to apply the principles which we believe to be the only principles by which it is possible to solve the unemployment problem.

The hon. Member referred to the means test, and asked what would the Opposition be prepared to do if they came back into office, or, rather, became the Government, because I presume he means, not merely office, but with authority and power. The first thing that we would do would be to abolish the means test. The hon. Member for Shettleston (Mr. McGovern) made reference to a circular issued by the right hon. Gentleman the Member for Wakefield (Mr. Greenwood) when he was Minister of Health. That circular, however, had no reference at all to the means test. It was issued in 1930, and merely asked the public assistance committees formed under the Local Government Act, 1929, to be far more sympathetic under the Poor Law than they had been. The circular was issued at a time when the means test did not apply to transitional payments, and, consequently, had no reference to it. I think the Minister will accept my statement that the means test did not then apply to transitional payments.

Mr. BUCHANAN: It is a perfectly legitimate defence to say that the Minister was carrying out the law, but is not that just what the Minister here has said? He has said, "The House of Commons has passed a law, and I am carrying out the law with the means test." If that argument is adopted, both Ministers are carrying out the law. I do not accept the argument of carrying out the law, but, if the hon Member accepts it for the right hon. Gentleman the Member for Wakefield, he must inevitably accept it in the case of the present Minister.

Mr. WILLIAMS: I am certain that the hon. Member is finding himself in some difficulty. The opposition expressed by the hon. Member for Shettleston against the Labour Government was on the ground that one of its Ministers had issued a circular. That circular had reference to the administration of a law which had obtained in this country for scores of years, and which is common knowledge to every person who is interested in public life. The circular was issued in order, if possible, to modify the harshness of the application of certain legal enactments. I agree that the Minister is helpless so far as the administration of the law to-day is concerned, but to-day the law is "means test," and, surely, the opposition to the Labour Government is not opposition to circulars issued at a time when there was no means test.

Sir H. BETTERTON: I should like to get this perfectly clear. According to the argument of the hon. Gentleman, he suggests that it is perfectly right when we are dealing with the money of a local authority, but it becomes monstrous, according to him, when we are dealing with the money of the national Exchequer. My point was that, if it is right in the one case, it is equally right in the other. The question put to the hon. Gentleman by the hon. Member for Gorbals (Mr. Buchanan) is unanswerable.

Mr. WILLIAMS: Really, we cannot accept that from the Minister. The Circular applied to destitute poor, to people who had received outdoor relief under legal enactments for scores of years. We never believed in such Poor Law principles; we do not believe in a system which involves extremes of poverty and plenty, but such extremes have obtained in this country for scores of years. We do not believe that legitimately unemployed persons who are deprived of their employment through the operation of this system, and who have contributed to a scheme which undertook the same contractual obligations as benefit societies and so on, should have to take the risk of loss. Once a man is under a scheme, we believe that that man is entitled to the benefits of the scheme for all time, if he is rendered idle through causes over which he has no control.

Sir H. BETTERTON: That is no answer to the point put by the hon. Member for Gorbals.

Mr. WILLIAMS: It certainly is an answer. I am not going to enter into a wrangle as to the difference between rates and taxes; I am just meeting the point that was put forward in opposition to us with regard to the issue of the Circular. The opposition of the hon. Member for Shettleston was not in regard to the administration of the law, but on the question of the means test. However, I do not want to carry that any further. The last speaker asked us what we were prepared to do if we had any authority in this country. The first thing we would attempt to do would be to see that the £200,000,000 which is now lying idle in the banks of this country should be so utilised as to ease the burden which is now falling upon the shoulders of the unemployed. There is an adequate amount of money to enable the unemployed to have a greater payment. That, in itself, to use the technical phrase, would cause a certain amount of inflation, but it would be immediately spent on absolute necessities, and thus of itself would partially solve the unemployment problem by setting factories to work to produce the things that could be bought. That £200,000,000 has been saved at the expense of the poor by cuts—unemployment cuts, education cuts, cuts in all directions. It is now lying idle. It certainly would be spent, if we had some authority, without the application of any means test in this country. Further, we should certainly tackle very seriously the other aspect of the matter. Yesterday my hon. Friend the Member for Aberavon (Mr. Cove) was dealing with the question of taxation. More than £300,000,000 in this country is handed over to people every year without any means test being applied, regardless of their income. Many of them receive unearned increment, and at the same time they receive interest upon war stock—for what? During the War period we lent a certain sum of money. The same principal may have been turned over many times. Without the application of any means test whatever these people are draining the nation dry. The unemployed, and persons engaged in industry, have to make their contribution and those who make it, if they become unemployed, are subject to this miserable means test by people who mainly represent the rentier class, those who drained the country by taking this unearned increment.

Captain PETER MACDONALD: There are over £500,000,000 in the Post Office Savings Bank and another £500,000,000 invested in War Savings Certificates by working class people. Do not they receive unearned increment, and would the hon. Member confiscate that?

Mr. WILLIAMS: Surely the hon. and gallant Gentleman can appreciate the difference between that and the matter that I have put before the Committee. The Minister referred to the numbers who have been drawn into the juvenile centres and said that about 90 per cent. of the 150,000 juveniles were obtaining employment. Reference was made to Jersey where 3,000 have been engaged in producing potatoes. If such persons are taken to Jersey or anywhere else for two seasons, will they not be put in the category of seasonal workers and deprived of unemployment benefit?

Mr. HUDSON: They will certainly not be described as seasonal workers if they have only done two seasons.

Mr. WILLIAMS: I think we could adduce evidence that they are likely to be so designated. If the umpire has to decide it in accordance with recent rulings, we are certainly inclined to believe that such persons will be deprived of benefit. Can we receive a definite answer, or shall I receive an answer from the Parliamentary Secretary when he replies?

Mr. HUDSON: I will answer it.

Mr. WILLIAMS: We are not satisfied, either, with the part that the Government have played with regard to the Forty Hours Convention. We know that with mechanisation in industry unemployment is bound to increase unless the Government are prepared to do something radical at least to replace that which mechanisation is likely to discard, and, if possible, increase the number brought into industry. Within two or three years in my own area in South Wales 11 collieries have gone into liquidation. The men will never be re-absorbed in those collieries. In the other collieries, which have not gone into liquidation, we have had the introduction of machinery on an extensive scale, reducing the number of men and they cannot be re-absorbed except by a reduction in working hours. We want to know whether the Government are prepared to face up to this which is, after all, the most difficult of all questions that we have to deal with. In other countries the 40-hour system is being seriously considered. At Geneva the other Governments were prepared to give it support, and, from the document read by the hon. Member who opened the Debate we are obliged to accept the fact that our representative deliberately opposed it and that the Government are not attempting to face up to the results of mechanisation not only here but in every country in the world.

The Chancellor of the Exchequer has said that in 10 years unemployment will not be less. One has to assume that he believes that the present Government will be in power and that he will be Chancellor of the Exchequer for the next 10 years, in which case it is pretty certain that the number will not decrease but substantially increase. We had a statement from the Lord President last night indicating that the economy stunt has now come to an end and that there will be no further cuts in the social services. We have had a confession that the policy of economy has completely failed. Shall we have from the Minister to-night a confession that the means test has completely failed, that it is driving young men and women from home, and that it is causing extreme hardship in the households of decent people? Shall we have some indication that men of 60 and over may be dispensed with, and given adequate pensions, in order that young men, scores of thousands of whom have not done a day's work since they left school, may be engaged in industry? These are some of the questions to which we should like the Minister to endeavour to reply. There are 3,000,000 unemployed and 5,000,000 or 6,000,000 in a position of complete destitution. It is only a matter of time when those who are on standard benefit will have to receive transitional payment. It is only a matter of time when the persons who are in receipt of standard benefit, with permanent unemployment increasing as it is, will fall into the category of paupers in this country. Meanwhile the Government apparently sit and look on, trying to find out whether their tariff policy is becoming fruitful, and local authorities are being faced with bankruptcy. Liverpool, Glamorgan, Monmouthshire, all the centres where industry has been vital are being paralysed.

[Mr. Williams.]

In the South of England rich boroughs like Kensington merely have to pay coppers in support of public assistance, while the great industrial areas have to pay five and six shillings, and in Glamorgan more than 8s., in every pound in aid of public assistance. It is increasing year after year; the budget this year is higher than last year.

The Government should face up to this very grave situation. Industrial areas are becoming completely paralysed. The policy of the Government, with their enormous majority, has become a complete fallacy and they do not appear to have the will to do anything. In the Far East we see certain things going on, and it may only be a matter of a few years when England may be brought into the trouble. Wealth will then easily be obtained in this country. We had a blizzard over the week-end which damaged many townships in this country and rendered idle large numbers of people. Money will have to be found to put matters right. The House will sit and talk, but it will not advance money to do this sort of work. Yet if war broke out in which we were inveigled we should at once find the money. There is plenty of cash. There are plenty of willing men prepared to do something. There is plenty of cheap raw material. There are millions of acres of land running to waste. The Government certainly ought to bring all those things together. If only they would do so, they would find employment tending to increase. The country, when it gets its opportunity, will throw the Government out, and they will get their deserts for having failed to fulfil the promises which they made.

9.19 p.m.

Mr. CROSSLEY: The hon. Member for Ogmore (Mr. E. Williams) certainly outlined a national policy which would require a very considerable amount of increased taxation. It is the claim of his party that direct taxation does not fall upon industry. Yesterday the hon. Member for Aberavon (Mr. Cove) took four years as a basis for proving that there was no direct connection between Income Tax and unemployment. The four years he took were from 1926 to 1930. During that time Income Tax was stable and unemployment was oscillating, and he may have forgotten that during that period we had the General Strike. If he had taken the years 1921 to 1924, he would have found that in 1921 the Income Tax was 6s. in the pound and that the figure of unemployment at Christmas, 1921, was 2,000,000. In 1922 the Income Tax was 5s. in the pound, and the unemployment at Christmas, 1922, was 1,400,000. In 1923 the Income Tax was 4s. 6d. in the pound, and the unemployment at Christmas, 1923, was 1,100,000. If the hon. Member will look up those figures he will, perhaps, change his ideas as to whether there is or is not a direct connection between taxation and industry. The hon. Member has an excuse because at the beginning of his speech he said that he did not understand finance and currency.

Mr. COVE: I am a modest man.

Mr. CROSSLEY: So am I, but I do not move financial Amendments. I am not one of those who want to make it harder for my right hon. Friend on the Front Bench to run the most difficult department in the Government. Nobody has such a thankless task as he has for all the time he remains in office. He had a good word to say about the public assistance committees. There is nobody who needs a generous word as much as the public assistance committees. They have to stand up and tackle this matter week after week. The public assistance committee in my division had for a considerable time to do without the assistance of the Labour party. It may have been to their credit. I am not saying it was or it was not, but I know one man on the public assistance committee there who had to sign 2,000 or 3,000 determinations every week. He had that task, and if he had not carried it out those people would have been thrown on to the Poor Law. You may say that my right hon. Friend went with a pocketful of pistols. The choice he had was to appoint a commissioner. If he had appointed a commissioner at that time it is clear that the people in Oldham would not have had such a good rate of transitional payment as they received from the local public assistance committee.

Mr. A. BEVAN: The commissioner would have to carry out the law. Do we understand that the public assistance committee is carrying out a different law from the one the commissioner would have to carry out, or is the commissioner to carry it out differently?

Mr. CROSSLEY: I am not saying that at all. I am saying that at this time we have public assistance committees carrying out the law, and although there is considerable difference between district and district, the public assistance committees are doing their best for the people in their district—most of them. The commissioners under the present Act have, I understand, to be paid out of the amount of money spent, or what would be spent in that area. I sincerely hope that the whole cost of this administration will be borne by the Government and by the taxpayer.

Mr. A. BEVAN: The hon. Member has made a most extraordinary statement. Do we understand that the unemployed would be worse off under the commissioner than under the public assistance authority, and that the commissioner would have to collect his salary out of unemployment pay? Is that what the hon. Member says?

Mr. CROSSLEY: That is not what I said at all.

Mr. BEVAN: Then what did you say?

Mr. CROSSLEY: It is not what I intended to say; what I intended to say was that a commissioner was appointed in different places in order to administer the law which public assistance committees had refused to administer.

Mr. BEVAN: The same law?

Mr. CROSSLEY: Yes, but which public assistance committees had not been administering at the appropriate rate. I am very much hoping that in the near future the administration will take into consideration two principles which remain very important in our constitution. The first is that in the national administration of national money we should not delegate our responsibility for spending money to local authorities, and the second is that every employable man who is now unemployed and wants to be employed should be on the Employment Exchange registers. You should bring into your scheme those people who have, perhaps, bought a little shop and gone out of insurance, and who go on to the rates and not on to the Employment Exchanges. At the same time, all those people who have been in insurance but who are no longer employable should not be a burden on the State.

Let me turn to another subject. I have just been in Germany, and, by the kindness of the German Minister of Labour, I was allowed an interpreter to take me round a good many of the labour exchanges. They have some things in Germany which I should like to see in this country. [HON. MEMBERS: "Hitler!"] No, not Hitler. I have no doubt my hon. Friend is delighted that Hitler is not here. If he were, he and his friends might not be present with us. They have at the big labour exchanges in Berlin food canteens. I do not know whether my right hon. Friend has considered that one of the great difficulties about unemployment is that by buying food on a small scale they have to pay comparatively high prices. Our local authorities provide meals for schoolchildren at 2d. a head, and I believe that if the Employment Exchanges could undertake the provision of meals to be paid for at cost price, that would leave something more in the budget of the unemployed man for clothes and boots.

Another thing in Germany which impressed me very much was that every labour exchange kept two files for each man out of work. One file showed the length of time he was out of work, and the second an alphabetical list to which the employer could look for a particular man. On each of these cards there was a list of numbers and each number represented a qualification. It might be that a man had a blue pencil mark through Nos. 13 and 15 showing that his profession was a builder, and that would mean he was also expert as a plasterer. He might also have a red pencil mark through 37 and 42, and that might mean he spoke French and had some knowledge of political economy. They showed me a card in which there was a blue pencil mark through political economy, which meant that the man was perfect in that subject. I asked them if there was anybody who was perfect in political economy, and they answered in true German philosophy that all things were relative. There is one other thing in Germany which, I think, the Minister might consider. There is a scheme of providing credits for those who wish to

[Mr. Crossley.]

forgo some of their payments, and supplying them with a small amount of land and materials with which to build a house. In Germany every man's mind is turned towards land settlement as a partial solution of the unemployment problem. It is, perhaps, natural that they should turn to that method, and I am wondering if it would not be very long-sighted on the part of this Government to see if a scheme could be instituted here by which a man would voluntarily forgo a portion of his benefit or transitional payment, and thereby save the Exchequer a certain sum, and that sum, with the interest on it, should be put aside to help provide him with materials with which to build his house. If necessary, the Minister should take land—I do not say nationalisation—but there is much land lying derelict which might be cultivated.

Then there is the voluntary scheme for helping the unemployed. To my mind, there has been more mis-statement on this subject than on almost any other subject. The right hon. Gentleman the Member for Carnarvon Boroughs (Mr. Lloyd George) drew a most elaborate simile. He divided the sum and found that the amount due to his own county would be 30 pieces of money, and he compared that with another 30 pieces of money of which we have read in history. The grant to the National Council of Social Service was only intended to help them with secretarial expenses, travelling expenses and general organisation. It was not intended to be doled out to different places for starting centres. That was not its object, and we should recognise the fact that there are two unemployment problems. There is the cure of unemployment and the provision of work, possible means of shortening hours and so on; and there is the alleviation of unemployment. I do not think that trade unions and hon. Members opposite have really done credit to themselves when they have opposed the wonderful schemes started by private enterprise all over the country in order to make the life of the unemployed man happier and healthier while he is unemployed. I am very glad that the right hon. Gentleman has left that voluntary movement to be started, because he has not got to take the risk of failure.

One day, if the right hon. Gentleman gets a scheme which is really a success, I hope he will adopt it and make it a national one, but for the moment it is far better that private enterprise should experiment and that it should be left to private people who are anxious to get schemes going in the municipalities so that you may find out what is the best method and the best set of schemes, and then you may possibly have them adopted in future by the Government. I believe that is sound sense. The schemes we have in the south have not seemed generally popular, but in the north there is an enormous desire for them. Many unemployed in my constituency have told me so. Up to now there have not been many interesting experiments. Most of them have been on the same lines—allotments, boot and shoe repair shops, clothing repair shops for women and so on. There have not been any schemes with eight or nine people getting together, one making boots and one making clothing and trying to live on a communal basis.

There have not been any schemes which have attempted the promulgation of craft industries. I am not sure whether the people engaged in such schemes would be entitled to receive unemployment benefit, and I should like to ask the Minister if there is any way by which those who are anxious to start a craft industry, something which in no way competes with an existing industry, would be able to receive unemployment benefit. I see the hon. Member for Ebbw Vale (Mr. A. Bevan) looking forward again, but I can assure him that what I want to see is not anything in competition with trades union labour. In Germany the trades unions give their whole-hearted support to these schemes, and I think they are wise in doing so, because such schemes are going to be a big element in our national life in the future.

I have not time to speak about other things to which I wished to refer, but I should like to say a few words on the question of shorter hours. That subject has been grossly misunderstood. Bacon said:

> "Let us sit a little longer, that we may make an end the sooner."

This is a question which needs not one inquiry but two. It needs a close industrial survey in this country. In the cotton trade, for example, if we started to work shorter hours we should have to bear in mind that we do not compete with European countries in the main but with the countries in the East. In the cotton trade there have not been enormous technical improvements like there have been in other trades, and if we were to adopt shorter hours in the cotton industry and Japan, China and India were not to adopt them, we should lose the little part of the cotton trade that remains. An industrial inquiry is needed in this country to find out just the percentage of production which is used at home and the percentage that is used for export, also the average hours of work and other items, including the social effect. Generally speaking, that is very desirable and it must come. The other thing that is needed is an international inquiry, in regard to which our representative at Geneva has worked as well as he possibly could. I hope that the international inquiry will come off and that its report will produce the basis for what ultimately must be the main solution of our unemployment problem.

8.38 p.m.

Captain P. MACDONALD: I intervene in order to extract, from the Minister of Labour, if I can, some information with regard to the Estimates before the Committee this evening. There has been a great deal of discussion connected with the International Labour Office at Geneva, and that led me to inquire what are the functions of that organisation and how much it is costing us at the present time. To my amazement I find that while other Estimates are being decreased or pared down to the minimum the cost of the International Labour Office at Geneva has increased this year by no less a sum than £6,300. That led me to put a question the other day to the Minister of Labour with regard to the International Labour Office, and the reply was remarkable. I was informed that not one single Convention or recommendation of the International Labour Office had been accepted by all the nations concerned in the Convention or recommendation since the inception of the International Labour Office 13 years ago. In those 13 years the International Labour Office has cost £5,500,000, of which amount £417,000 have been contributed by the British Government. This year over £500,000 will be spent on the International Labour Office and the people in this country are asking, and I think they are entitled to ask for what purpose is this money being spent. Why should £28,229 be spent in travelling and subsistence allowances, when we are informed that not one single recommendation or Convention has been adopted by all the countries engaged in that organisation in 13 years? One-tenth of the cost of the International Labour Office is borne by this country, and we have only one vote in 24.

These are very remarkable figures in view of the discussion that has taken place to-day about certain Conventions regarding hours of labour. There is more loose thinking and talking upon the question of the 48-hours week and the 40-hours week than perhaps on any other subject. I listened not long ago to an ardent Socialist speaker, who was discussing the question of the 48-hours Convention, and he said that he could not understand why the British Government had not adopted that Convention. He put the blame down entirely to the Tory party. I had the temerity to ask if there had not been two Labour Governments in this country in the last 13 years. He said that was true but that they had not a sufficient majority to carry the Convention. I said: "Can you tell me of any country that has whole-heartedly accepted the 48-hours Washington Convention? He replied: "Yes, India has wholeheartedly supported it." I said: "Yes, and well they might, for they can employ labour at two rupees a week. Are you prepared to recommend that British labour should be employed on the same conditions in this country?" That is the whole trouble when people talk about hours Conventions and the recommendations of international conferences. They completely disregard the other factors, namely, wages and working conditions.

The grievance that I have against the International Labour Office is that it seems to be completely dominated by countries that are not industrial. Those countries are always willing and anxious to accept Conventions on hours and other restrictions upon labour conditions, but they are non-industrial countries. Therefore, they are not justified in placing further burdens on industrial nations like ours, depending almost entirely upon our

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export trade for our existence. Before hon. Members are prepared to chastise the Government for not accepting these Conventions whole-heartedly and putting them into operation, they must realise that the other factors have to be borne in mind, otherwise they will be crippling employment in this country and making conditions still harder for the classes they pretend to represent in this House.

I do not intend to intervene at any length, but I would ask the Minister to give me an answer to the questions that I have put. I want to know the cause of the increase in the cost of the International Labour Office, how many British subjects are employed at the International Labour Office and in what work they are employed. I want to know if it is not a fact that a great deal of the work carried on by the International Labour Office to-day is being duplicated. Is it not the case that the Ministry of Labour have records, duplicates of which are kept at Geneva, and that information could be provided at any moment by the Ministry of Labour to any country which requires it without sending delegates week after week and month after month to conventions and discussions at Geneva. There have been at least 30 conventions during the last 13 years, and not one single recommendation has been carried out by all the parties concerned.

I maintain that the International Labour Office is an anachronism which might easily be done away with. The answer may be that it is part of the Versailles Treaty. I agree, but like many other clauses of the Versailles Treaty it is completely obsolete to-day. They have gone far outside their sphere and have embarked on grandiose schemes which they have no hope of ever carrying through. It is time that their activities were curtailed. It has been said of them, and I agree, that they are nothing more or less than a debating society, composed largely of people engaged in international social organisations through Europe. If anyone will examine the records of this organisation, and the records of the delegates representing various countries, they will find that 90 per cent. of them are Socialists of the extreme element. It is wrong, at this time of financial stringency, that this country should have to meet this added burden in order to subsidise an organisation which is contributing nothing to the solution of international or national problems.

9.48 p.m.

Mr. LAWSON: The Debate, with the exception of two or three speeches, has been concentrated on the question of unemployment. That is quite natural, but we on this side rather desired that on this occasion to deal with the administration of the department responsible for the spending of this large sum of money. The Minister of Labour was certainly placed in an altogether false position this afternoon by the Prime Minister, and that was chiefly responsible for any interruptions which took place during his speech, which we on this side did not welcome at all. On that incident I will only say this, that this House is usually generous to Ministers, including the Prime Minister, when answering questions. The House understands that it is not, always wise to say the exact word on a subject and is tolerant, but it was really obvious this afternoon that the Prime Minister was telling the House that some statement was going to be made, and I was myself much surprised at the statement of the Minister of Labour.

The Ministry of Labour is the most difficult department in the whole range of government. It is a significant fact—I do not say that the right hon. Gentleman is alone in this respect—that to-night, as on other occasions, the right hon. Gentleman has very little visible support from other Members of the Government. If there is a Department whose Debates ought to be listened to by the Prime Minister or the Leader of the House it is the Ministry of Labour Vote. It has been the grave of more Ministers than all the rest of the departments put together, for the simple reason that he has to face not only very difficult questions but questions which touch vitally the life, personal and social, of this country. The Department deals with no less than seven different sections in administration alone. It deals with wages, unemployment, umpires, courts of referees, training, the International Labour Organisation—and I shall have something to say in reply to the hon. and gallant Member for the Isle of Wight (Captain Macdonald)—the industrial courts and the relations between employers and workmen.

We were quite right in asking for a Debate on the general administration of the Department. There are nearly 3,000,000 unemployed. They have to attend the Employment Exchanges. When we were the Government we used to be assailed as to the condition of Employment Exchanges at every opportunity. We were told of the need for new Exchanges and of the conditions under which men had to wait in winter time. That is as it should be, because men and women have to go to Employment Exchanges, and before the courts of referees, they are subject to the means test, and to the Anomalies Act; and there are nearly 3,000,000 of them. Take the question of the courts of referees. There is grave need to consider what is happening. I have here a document sent out by the North Riding of Yorkshire County Council, who complain that the courts of referees apparently take the view that certain men are not in normal insurance. They say:

> "As these men have been unemployed for so long and are beyond middle-age, they are not likely to be re-absorbed in the trades in which they were previously engaged, and that in consequence they must be considered not normally insured."

Everyone knows that that is going on all over the country, apart from the Anomalies Act. It is a fact that whole masses of men who have been out of work a considerable time and are middle-aged are being declared as not normally insured and are thus thrown back on the Poor Law. That is an illustration to show the many different avenues along which men and women have to travel from the Exchanges to become a charge upon the Poor Law. When the position is examined it will be found that that is only one of the many reasons which are responsible for complaints from Liverpool and Manchester and Durham and Wales and Scotland—complaints that masses of the people are being thrown upon the Poor Law and that thus the rates are increasing. Take the case of Durham before the commissioners went in, take Glamorgan or take any area in Scotland where you have a Labour majority or an assistance committee that is sympathetic to the men. These authorities can try as they like to keep their backs to the wall, but the fact remains that the Poor Law numbers are growing and the rates are increasing.

It is a terrible situation, which the Minister and the Government cannot blink at much longer. I think there has been something like an increase of 250,000 upon the Poor Law since the present Government came into office. During the two years when the Labour Government was in office, when we were assailed because of the rapid growth of unemployment through causes over which we had no control, even when the unemployment figures were going up the number of people receiving public assistance was always coming down. Now it is the opposite. Unemployment is growing. The Government say it is not growing as fast as it was formerly, but it is lamentable to see the rapid increase in every town, almost every area of the country, and particularly the industrial areas, and the heavy financial burden that is being laid on those areas. The necessitous areas question is looming once more. I do not think there is much virtue in hon. Members continually supporting Acts of the Government which have the direct effect of increasing the rates. It seems to me that the common-sense thing to do is to refuse to accept those Acts which are obviously going to make the position of necessitous areas worse than it was before. I hope that to-night we shall get some answer from the Government with reference to the courts of referees.

The Minister, in dealing with the administration of transitional payments, quoted once more the Circular of my right hon. Friend the Member for Wakefield (Mr. Greenwood). I do not know whether he wished to convey some of the impressions that were given to the House. Undoubtedly, he did create the impression that my right hon. Friend the Member for Wakefield by issuing that Circular gave some countenance to the policy of the present Government. I wonder why the Minister of Labour is so impervious to the explanation of the realities of the position. Here are the facts: In Wakefield the Conservatives actually made that Circular the battle-ground of the by-election. It was clearly explained in a very short time, and the Conservatives wanted to get away from it. But they repeated the same old mistake in Rotherham, and we have seen the result. They did the same thing in Wednesbury. The simple fact is that the right hon.

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Member for Wakefield issued that Circular 18 months before the need test was heard of.

Sir H. BETTERTON: That is perfectly true.

Mr. LAWSON: My right hon. Friend issued it to deal with the Poor Law when its administration was passing over to the new public assistance committees. He had to explain the law as it was. If the circular is examined in the light of the facts and of my right hon. Friend's duty as Minister of Health—it had nothing to do with the Ministry of Labour—it will be seen that the circular is to my right hon. Friend's credit, and that it actually made a very generous improvement in the administration of the Poor Law.

Sir H. BETTERTON: The point which I tried to make over and over again was that if that circular is right in the case of the uninsured, why is it wrong in the case of those on transitional payment?

Mr. LAWSON: I will come to that later. What my right hon. Friend the Member for Wakefield did was to explain the law as it was when the public assistance committees were taking over the Poor Law.

Mr. MAXTON: But did he not go further and justify it?

Mr. LAWSON: I do not think the hon. Member can say that, if the circular is read in the light of the events of that time.

Mr. McGOVERN: Did not the circular say that even the income of children must be taken into account and is the hon. Member aware that the Tory public assistance committee in Glasgow do not take the small amounts made by children into account at all. The circular went even further than they would go.

Mr. LAWSON: I do not mind my hon. Friend putting his point of view, but I understand that there is a great difference between the laws of the two countries in this respect, and he is speaking from the Scottish point of view. [HON. MEMBERS: "No!"] In any case, the Minister of Health at the time had to explain the law to these committees.

Mr. D. GRAHAM: May I point out that if that circular which was sent out to the English bodies was to apply generally, the same law would have applied in Scotland, but according to the statement of my hon. Friend the Member for Shettleston (Mr. McGovern) it did not apply in Scotland, and therefore the law in Scotland must have been different from the law in England.

HON. MEMBERS: No!

Mr. LAWSON: I do not wish to go into that question. It does not make any real difference. The fact is that the Minister of Health, at that time 18 months before the means tests came into operation, was in duty bound to explain the law to the public assistance committees and that he did so and that in that circular he specially mentioned certain classes such as those in receipt of pensions and urged the committees to give generous consideration to them. The Minister of Labour has made a reference to the administration of the law in regard to transitional payments. We have never agreed with the means test at all, as I have clearly stated before, and far less did we agree with the destitution test. Everybody knows what I said in this House. I have always said that if there had to be one, I would sooner have it administered by the Employment Exchanges, under responsible Government authority than by public assistance committees with whom we could not deal in this House.

What has the right hon. Gentleman done in Rotherham and Durham? He has deposed the public assistance committees and substituted, in Rotherham one Commissioner, and in Durham three Commissioners, with 10 area officers who are servants of the Ministry of Labour. He has sent there 10 representatives of his own Department and he repudiates responsibility for them and practically speaking for the amount voted by the House in that connection. The right hon. Gentleman in taking that course is not only applying a destitution test to great masses of people in circumstances which have been well illustrated here today. He is also taking a course which is bad Departmental administration and bad government, in that money is being voted with practically no control by the House. The result is patent. He has taken £15,000 in a few weeks off Durham.

He has taken a great amount off Rotherham and he is using these two areas as a threat to other areas in the country. Other areas are being continually menaced and their administration and their outstanding public assistance committees, as I think even Conservative Members will agree, are under the bludgeon or the threat of being superseded by commissioners if they do not come up to the Minister's interpretation of the law.

It is a curious thing that when public assistance committees are operating and interpreting the law as they think it ought to be interpreted, the right hon. Gentleman says, "I differ with you, and, if you will not do what I want, then I will depose you." But when we come to him about the Commissioners in Rotherham and Durham, he says, "I have nothing to do with them; they may be good or bad, they may be carrying out the law or not, but I have nothing to do with it." The right hon. Gentleman is in a dilemma, and he will have to decide something more definite than we have heard of yet about the administration of the means test. I do not wish to emphasise or underline what I have said before, but the Government must be aware that this country is not going to stand the applications of the means test under continual Departmental pressure.

The Minister, it is true, gave a case or two from Rotherham, in which it is said sums of £5 or £6 a week were coming into a particular house and so many people were working and so forth. He also gave some cases from Durham. But he did not say anything about the 99 cases out of 100 in which he is really breaking up homes. That is not a phrase but a fact. While the right hon. Gentleman brings up in this House the one case in which people may be getting more transitional payments than he thinks they are entitled to, yet when it comes to fighting by-elections, it is found that the people know all about the other 99 cases. So the Government get the reply of the Rotherham by-election. That is only an expression of the feeling of the country at large. The Government would do well to take the warning and the right hon. Gentleman as long as he continues this system ought to be more tolerant with the public assistance committees than he is at the present time.

To-day we are dealing with a situation which involves nearly 3,000,000 people directly, apart from their dependants. All the Government are doing is hoping that something will turn up from their tariff policy and that, perhaps, industry will improve somehow or other. Nobody else in this country believes that. The employers of the country do not believe it. They know the facts with which the Government seem to be out of touch. Machinery is growing apace and is displacing men faster than means can be devised for employing them. I believe that even if you get your financial problems, your War debts and reparations, settled, all that you will have done then is to have got down to the fundamental fact that mechanism is revolutionising industry. Employers know that quite well, and the figures show it. As my hon. Friend the Member for Don Valley (Mr. T. Williams) pointed out, the numbers of the wholly unemployed are growing apace, and there are about 200,000 more now than there were a year ago. As a matter of fact, I think the total is about 460,000 more than it was 18 months ago, although I am not quite sure of those figures. Then, as I pointed out previously, the hard core of unemployment is growing, and instead of 100,000, those figures are now about 500,000. That means that we have almost a revolutionary situation to deal with, and yet, in face of that fact, we have thousands of boys and girls leaving school at the same time that we have 140,000 boys and girls registered as unemployed.

I know of nothing that has been more against the best interests of the country than the action of this House in destroying the Measure wherein the Labour Government attempted to raise the school-leaving age to 15 years. I am very sure that some Conservative Government will be compelled—in fact, I should not be surprised if the industrial facts do not compel this Government, before it finishes its course—to consider seriously the raising of the school-leaving age. I do not say that you can estimate exactly how many such a Measure would put into employment. That is a very difficult matter, in the ups and downs of practical life and modern industry, to decide, but I am sure that some day, by some Government, this

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question will have to be seriously considered. Of all the stupidities, I think the worst is the fact of turning, almost every month, some 30,000 to 40,000 boys and girls out of school into industry at a time when you have 140,000 under 18 unemployed, and whole masses of youths of from 18 to 20, perhaps another 100,000 at the very least, unemployed in addition.

Then the Government will have to give much more consideration to the question of a reduction in the number of working hours. The right hon. Gentleman cannot deny, however he may try to explain it away, that the will of the Government has been antagonistic to the reduction of hours. He may have been expressing the official view of the Federation of British Industries and of the Confederation of Employers, and I am sure that their representative in Geneva was with the Government on that point, but I do not believe that the Government is now expressing the will of the great mass of employers in this country on that matter. I have met large numbers of employers who agree that serious consideration must be given to this question of the reduction of hours, and I think the real test was put by the hon. Member for East Wolverhampton (Mr. Mander), on the point as to the Government's view on this matter, when he said that if the Government had been really serious on this, one of the foremost questions of the day, raised by the Italian Government and supported by a great many other Governments, they would not have sent one of the staff of the Department to Geneva to deal with it. Surely the Minister himself would have gone, or his Parliamentary Secretary, who could have spoken with some authority, instead of a member of the staff, who was given his rigid orders and had no real representative power, not knowing what arguments were to be brought out at Geneva.

The Government are rooted in the old ways of reactionary Toryism. They cannot even rise to the heights of enlightened capitalism. The Government simply justify themselves in a very roundabout way without having any fundamental basis for the explanation that they have to give. I would like to say to the hon. and gallant Member for the Isle of Wight (Captain P. Macdonald) that, as far as the International Labour Office is concerned, it would do him good to get at something like closer grips with the facts about the Conventions. I can tell him that it has been my privilege to be a representative of the Government at the International Labour Office on various occasions, and to sit as chairman of the committee which reported on the working of these Conventions. As not merely a theoretical expert, but as one who has a practical touch with industry, I can judge the value of those reports, and I say that if the British Government would give their support and sympathy to that organisation, and use their great prestige to lead the way in it, they would do great things for the British people and for the world.

Captain P. MACDONALD: The hon. Gentleman said that he represented the British Government at Geneva. Can he tell us one single recommendation that was accepted there during the term of the Labour Government?

Mr. LAWSON: The hon. and gallant Gentleman must give me the same privilege as he gives to Ministers; I must have notice of that question. I was speaking of my chairmanship of the committee which reported on the working of these Conventions; 700 of them have been passed for various countries and are working to-day. My hon. Friend who opened the Debate was well advised to draw attention to the statement of the Chancellor of the Exchequer that it will be 10 years before we can see anything like an improvement in employment. The Chancellor's speech cast gloom and sent fear throughout the length and breadth of the country, and I do not think that it will do the prestige of the British Government or of this country any good abroad. We now know that the position of the Government is that, whereas they got a doctor's mandate from the country to deal with the patient, the doctor has now no hope whatever for the patient during the next 10 years.

I would like to give the Minister of Labour this hint. There is a view abroad in the country that it may be possible to get an insurance scheme which will pay its way, and that the transitional payment and the means test will probably be carried on. Finally I would warn the Government, as regards any proposals they may have for the future, that neither they nor any other Government will be able to run a watertight insurance system in this country in the face of the facts which are now apparent; nor will this country stand the inquisition and the dastardly results of the operation of the means test, with its dire effects on the welfare of the people throughout the country.

10.25 p.m.

Mr. HUDSON: We have listened to an unemployment Debate to-day which, in my recollection of Debates on this subject in this House is, I think, almost unique, because it is practically the first Debate in which any consideration at all has been given to the details of administration of the Ministry of Labour. I would like to thank the hon. Member for Chester-le-Street (Mr. Lawson) for the kind things he has said about my right hon. Friend's Department. He knows the difficulties, and that one of the difficulties lies in the fact that the details of our administration are so seldom discussed, and that to a great extent the work of the Department is very largely unknown either to the country or to hon. Members. Therefore, hon. Members will perhaps forgive me if I answer in some detail, within the limits of the time at my disposal, some of the practical questions addressed to me in the Debate. I shall have a word or two to say, also, about the speech of the hon. Member for Don Valley (Mr. T. Williams), who opened the Debate, both on the question of hours and on the question of the effect on trade of this administration.

The hon. Member for Leigh (Mr. Tinker) asked the number of juveniles in receipt of benefit and how many of them attended juvenile instruction centres. The number of juveniles in receipt of benefit is 22,000 boys and 15,000 girls. 14,780 boys and 5,600 girls are in attendance at juvenile instruction centres, and in addition 1,800 boys and 1,480 girls attend other courses of instruction provided by the local authorities. He asked further how many training centres for adults we had and where they were situated, and for similar information respecting girls and women. The training centres for which we are asking approval this year are: Training centres, non-residential—Birmingham, Bristol, Glasgow, Letchworth, Park Royal, Waddon, Wallsend, Watford. Instruction centres: residential—Bourne, Carstairs, Claydon, Cranwich Heath, Fermyn Woods, High Lodge, Kielder, Shobdon, Swanton Novers, Weeting and West Tofts. Non-residential—Carshalton. We have closed the Slough training centre. As regards the non-residential training centres, which are known as "handyman centres," they are, for the most part, manned by men and youths from distressed areas, who have their unemployment benefit made up to 21s., out of which sum they have to pay for lodgings, which are provided for them in ordinary dwelling-houses, at an average rate of 17s. In addition to that they get a free midday meal on six days a week, and reasonable fares are paid. In the case of a few married men sent to these centres an additional allowance of 8s. is made to them to cover their expenses. Men who attend the residential centres which are reconditioning centres surrender the whole of their unemployment benefit, but in return are fed, lodged and, to a certain extent, clothed—they get trousers and boots—and have a pocket money allowance of 3s. a week. The average stay at the residential centres is 12 weeks, and at the other centres, the handyman centres, it is 26 weeks. In the case of girls and women, there are also residential and non-residential centres. The non-residential centres are for the most part situated in the distressed areas, and the residential hostels are situated at Lenzie in Scotland, Market Harborough, Warrington, Leamington, Long Benton, Harrogate and London. They are run on behalf of the Central Committee on Women's Training and Employment. The women and girls who are there get allowances in the same way, although at a lower rate, as the men in the handyman centres and the residential training centres.

The hon. Member then went on to ask me about circular L.A. 16 on the question of pensions. He said that it was not the intention of the House—at least he did not think that it was the intention of the House—that when 50 per cent. of a man's disability pension was ignored that portion only should be ignored which was confined to his own disability pension. He objected to the whole of a man's pension in respect of his dependants being taken into account. I have not had time to look the matter up, but I think that I am correct in saying that I explained the matter to the House specifically, in

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answer to a question, when we were discussing the Bill. I say, subject to correction, that that is my recollection of what happened. In any case, the Transitional Payments Act definitely defined wounds and disability by reference to Section 16 of the Finance Act, 1919, which laid down the facts quite clearly. There could be no doubt in the minds of anyone who had taken the trouble to look at the reference.

Further, I will justify the matter on its merits. I think that it is within the recollection of hon. Members that when we were discussing this matter of a disability pension it was the general feeling of the House that the disability pension to some extent represented blood-money, that it represented a compensation for a definite injury to the man himself, and that it had no bearing on or relation to his earning power. On the other hand, the question of the dependants' pension rests entirely on maintenance, and therefore when you are considering the man's needs and the amount that he requires to maintain himself and his family, it is clear that the dependants' disability pension should be taken fully into account. I hope that I have made myself clear.

The hon. Member then went on to protest about single persons on transitional payments who had gone into lodgings and whose claims had been disallowed. He will remember that this question has already been discussed more than once in the House. It arose mainly owing to the action of a number of single persons in a Lancashire town who had deliberately gone out of their own homes and into their neighbours' homes. There had been an exchange of the young persons. The son of A went into the home of B, and the son of B went into the home of A. They went to the local public assistance committee and said: "We are no longer members of the family. We are lodgers, and as lodgers we should like to be paid full rates of transitional payments." That was such an obvious evasion of the real intention of the Act that my right hon. Friend the Minister definitely told the local authority that if they chose to take such steps as seemed to them adequate in order to stop that practice, they would have his full approval. They have taken those steps, and the practice, I believe, has come to an end. I do not believe that anyone could be found in this House who would justify or defend the giving of any consideration at all to people who are attempting to evade the law in that way.

Mr. TINKER: I must protest against the statement that they were simply crossing from one house to another.

Mr. HUDSON: That is what they did. The hon. Member also mentioned the question of the 40-hour week, but, if he will allow me, I will deal with that when I come to the general question. My hon. Friend the Member for East Wolverhampton (Mr. Mander) said a word about our treatment of Wolverhampton in regard to the administration of the means test, and he said that he hoped that, as the result of the negotiations which had been going on between the Wolverhampton Corporation and the Department, some satisfactory arrangement would be reached. He seemed to use the word "satisfactory" in an ironic sense. I do not know exactly whether it will be satisfactory, but I can assure him that at least it will be legal.

He then went on to raise the question, which is of general interest, of the right of an applicant for transitional payments to get a personal hearing on appeal. Hon. Members probably know that in England, unlike Scotland, the ordinary person applying for public assistance has no legal right of appeal, but the practice, in the great majority of cases of which I know, is that public assistance committees, where a man feels that he has a grievance, or that he can adduce new facts which have not been within the consideration of the committee before, he is practically always granted a right of rehearing; and I feel certain that that is the practice which is followed by practically all public assistance committees throughout the land.

Sir REGINALD BANKS: If the great majority follow that practice would it not be possible for all of them to follow it? There seems to be something desirable in it.

Mr. HUDSON: My hon. and learned Friend, versed as he is in the law, knows that neither my right hon. Friend nor the Minister of Health has any power to issue orders to public assistance committees.

Sir R. BANKS: They could make recommendations.

Mr. HUDSON: The hon. Member raised the question of dating back, and asked why it should not be possible for a man whose circumstances had changed, say owing to the birth of a child, to have his transitional payment altered, two or three weeks later, for the previous two or three weeks; and other Members, I gather, think that there is some hardship in this, and that transitional payments ought to be treated in the same way as benefits. Hon. Members know that if, as the result of a hearing by the court of referees or the Umpire, a man is decided to have been entitled to a certain payment, he can receive back pay for several weeks, or, indeed, months, and it is suggested that a similar arrangement ought to be made with regard to transitional payments. The cases are not entirely parallel, because benefit is a payment received as of right, whereas transitional payments are payments *ex gratia* in order to meet the needs of the man for the particular week in which they are made. We have quite recently, however, issued a new regulation which will allow a committee to make retrospective increases or changes in transitional payment determinations valid for the benefit week preceding that in which the determination is made, and, therefore, if there is any change in the man's circumstances, there is no reason at all, if he exercises due diligence in getting his case heard or his circumstances disclosed to the local relieving officer, why any man should suffer any delay, and I hope that the new regulations which we have issued will dispose of that difficulty.

He went on to deal with the question of discrepancies in practice. He knows as well as I do that that is one of the matters which have caused my right hon. Friend and myself most concern. We have endeavoured to get discrepancies in practice between local authorities removed by persuasion, but, in spite of our best efforts, we have failed. It is interesting to note that, since we took steps to secure uniformity of practice in the shape of the Determination of Need (No. 2) Bill last year, dealing with cases of disability of pensions, workmen's compensation, savings and house property, practically no complaints have arisen on these four matters, and I have not heard any point of complaint raised in this Debate on the four points covered in the Bill of last year. I think we are entitled to claim that the action that we then took has materially helped to make the administration of this very difficult subject much easier throughout the country. The hon. Member went on to deal with the case of shorter hours. He brought up a particular case and said he thought, from his own experience I gathered——

Mr. MANDER: I did not say so.

Mr. HUDSON: The hon. Member implied it, and it is very generally known—that, as a result of his own experience and knowledge, if there was rationalisation, it would be possible to secure a 40-hour week and still pay 48 hours' wages. One of the objects of the 40-hour week in present times is, surely, to spread employment over a larger number of people while maintaining production at its present level, and you defeat your whole object if in 40 hours you get 48 hours' production, because you will then have to work shorter time and some of the men will be thrown out of work. That is precisely what happened in the particular case that the hon. Member has in mind, because the firm which got a great deal of publicity out of the statement that it had succeeded in shortening its hours to 40 and paying 48 hours' wages, as the result of the introduction of a new system of working, has actually got 48 hours' production out of 40 hours' work. If the whole industry follows that example, we shall be no better off at all. It is worth noting, also, that this firm had to give an undertaking to its men before the trade union would allow the system to be introduced that, in spite of the extra production, they were going to keep them and would not dismiss any men for six months. The six months have not elapsed and we do not know the final result of the experiment.

Mr. MANDER: I made no personal reference of any kind. I have knowledge of this matter going far beyond any one works in one industry. It is relevant in all those cases, which are inevitable in certain circumstances, where pressure of competition causes rationalisation. In those cases it keeps more people at work if 40 hours are worked instead of 48.

Mr. HUDSON: That is the only instance I know where they have succeeded so far in paying 48 hours' wages for 40 hours' work. My hon. and gallant Friend

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the Member for Thanet (Captain Balfour) made some very interesting suggestions. I should like to thank him for the generous tribute that he paid to our Exchange managers. I think they were thoroughly deserved. As regards the question of substituted work, the question whether a man who works during the daytime will or will not be disqualified from benefit is one over which my right hon. Friend has no control whatever, because it is a matter to be decided by the court of referees and the umpire, who are entrusted with the job. As regards the question of seasonal workers, my hon. and gallant Friend will forgive me saying that he is a little inconsistent, because he said, in the first place, that there is a fair proportion of seasonal workers who pay the contributions for the whole of the season when they know that they are not going to suffer any unemployment. But he then suggested that in the Isle of Thanet 90 per cent. of them were employed for the season and 10 per cent. unemployed for the season. Even in the Isle of Thanet, it is precisely because of the risk of the 10 per cent. being unemployed that we are entitled to ask everyone concerned for contributions. Those persons ran the risk of not getting employment in the season, and in the course of an analysis which we made a short time ago we found that during the time that the seasonal workers Regulation has been in operation seasonal workers during the season were able to draw a very substantial amount out of the fund. As regards the question of the shorter benefit year that, of course, is a matter which would require legislation, but it is a suggestion which we will bear in mind and see if any use can be made of it.

I turn to the hon. Member for Shettleston (Mr. McGovern), who started off by saying that he was not a Conservative. From my knowledge of him I should say that he is far more Conservative than any Member on this side because many of us have changed in our views, but as far as I can make out he still believes in the outworn theories of Marx. He raised a good number of matters of detail, but every one, as far as I can understand, were matters within the discretion of the public assistance committee and should really be discussed with my right hon. Friend the Secretary of State for Scotland, and not upon our particular Estimates.

Mr. McGOVERN: May I have an answer to the questions which I put? If you want to impress me with a desire to become a negotiating statesman in this House, I think I am entitled to an answer to the specific cases to which I called attention, as to the treatment he is meting out, and as to their attitude.

Mr. HUDSON: I am afraid that the hon. Member is not entitled to an answer because they are all individual cases, over the solution and determination of which neither I nor my right hon. Friend have any control. They are matters within the discretion of the public assistance committee.

Mr. McGOVERN: Will the hon. Member allow me to put one point in connection with the case of two brothers living in the same house in different rooms? Are those persons entitled to be treated on the same basis as man and wife? Surely the Minister has some opinion on a matter of that description?

Mr. HUDSON: If the public assistance committee would have treated those persons, if they had applied for public assistance, as man and wife then, under the terms of the Order they are bound to make transitional payments on that basis.

Mr. McGOVERN: That is no answer at all.

Mr. HUDSON: With regard to the speech of an hon. Member who asked about seasonal workers going to Jersey, the principle laid down is that, where a man takes seasonal work, not with the intention of adopting a career but because he cannot obtain any other work, those cases will be judged on their merits. In general a man is allowed to take up seasonal work for two years before any question arises as to his having adopted it permanently. As the hon. Member knows, I can give no assurance upon this matter, which is in the hands of the court of referees and the umpire. Generally, the ruling of the umpire is to the effect I have just explained.

The hon. Member asked me why we did not give pensions to men over 60 as one of the solutions for unemployment. It does not lie in his mouth to ask that. That is one of the proposals of his party and we are entitled to ask why they did not put it into force when they had the opportunity. The hon. Member for Oldham (Mr. Crossley) made some very interesting suggestions about land settlement. Of course, he realises that practically all the points he raised require legislation and, therefore, much as I would like to deal with them, I should be prevented by the rules of order. I very much appreciated the tribute he paid to our action in connection with the National Council of Social Service. I now come to the hon. Member for the Isle of Wight (Captain P. Macdonald)——

Mr. MAXTON: What about the hon. Member for Tottenham (Mr. Doran)?

Mr. HUDSON: The hon. Member asked me about the increase in our contributions to the International Labour Office. The answer is that there was one more conference at Geneva this year than last and also that, owing to some of the States not having paid their contributions to the expenses of the International Labour Office, these were paid out of the working capital of the League of Nations at Geneva, and it falls to us to pay our share to make that good.

Captain P. MACDONALD: Has no protest been made by the British Government against this form of treatment? Has one single resolution of the International Labour Office been adopted by this Government?

Mr. HUDSON: We have only one vote against a number of others, but that does not prevent us from paying our contributions unless we are willing to go back on our signatures, which the hon. Member would not suggest. The hon. and gallant Member for Clitheroe (Sir W. Brass) quoted some figures about determinations at Manchester and Salford, but he must have been confusing rates of public assistance and transitional payments, as it was obvious that a man, wife and three children could not possibly receive 39s. 3d. in Manchester or Salford or anywhere else, because the maximum rate of transitional payment would be 29s. 3d.

Sir W. BRASS: Can the hon. Gentleman assure me that there is no difference in transitional payments between various places?

Mr. HUDSON: No, the hon. and gallant Member knows, as I have been explaining, that one of the difficulties we have always is the difficulty of the various rates in various areas. I have explained there could not be a discrepancy as great as he suggests. With regard to the question he raised about the trade dispute case, we have no power whatever to submit another case to the umpire, but, if there is any new fact in any case, the umpire is always ready to receive representations and consider the case, provided the fact is definitely a new one. I now come to the speech of the hon. Member for Don Valley. He accused us, among other things, of having supported a policy of international isolation, and he implied that one of the results was the fall in our international trade. He had better think of what happened during his own term of office. Taking our exports, I find that their value fell from £729,000,000 in 1929 to £570,000,000 in 1930 and £390,000,000 in the following year, and has remained practically constant at £365,000,000.

Mr. T. WILLIAMS: What about the volume?

Mr. HUDSON: I have said that in 1931-32 the value decreased £25,000,000. In the following year the volume slightly increased from 76.5 to 76.8, compared with 122 in 1929, which was the last year we were in power. Therefore, there is nothing in the hon. Member's argument.

Mr. T. WILLIAMS: Are not the exports down by £24,000,000?

Mr. HUDSON: The hon. Member spoke, as did the hon. Member for Chester-le-Street, about an increased demand upon the Poor Law. They seemed to think that there has been an increase on the Poor Law over anything that has happened before. If that was not their argument there was no point in it. The fact of the matter is that in 1929, which was taken as the datum line under the Derating Act of that year, the whole of the allowances to local authorities were based on the continuance of the expenditure of what they spent in 1929, and adjustments were made accordingly and weighting was given to authorities which in 1929 had a very high Poor Law expenditure. Then the Labour Government came along in 1930 and passed an Act which upset the whole basis of the

[Mr. Hudson.]

arrangement by taking on to the Insurance Fund a lot of people who had no business to be there, and the net result was that in 1930 there was a sudden drop in the number of the persons on the Poor Law. We have never denied that fact, but the whole point is that even to-day, in spite of the distress, the numbers on, and the cost of, Poor Law have not yet got back to the level of 1929, the level at which the grants have been paid for the last two years. In other words, the local authorities of this country had two very good years to which they had really no right.

The final point is the question of hours. Hon. Members opposite have accused us of having adopted an obstructive policy at Geneva. The hon. Member for the Don Valley, I hope entirely unintentionally, misquoted very seriously the words of Mr. Norman.

Mr. T. WILLIAMS: No.

Mr. HUDSON: I am sure that it was unintentional, but he ended up his quotation of the speech by using the phrase, "the phantom of the 40-hour week."

Mr. WILLIAMS: No.

Mr. HUDSON: I heard it myself, and I asked several hon. Members if they heard it too. What Mr. Norman said was, that the 40-hour week Convention as discussed at Geneva was a phantom.

Mr. WILLIAMS: I read his speech.

Mr. HUDSON: One of the reasons for our action in this matter was our experience with the 48-hour Convention. It is 12 years since that Convention was originally adopted, and it has not yet been ratified. Why? Because it was done in a hurry and it has been impossible in the years since to get an agreed interpretation of what it means. In the matter of the 40-hour week Convention, we want to avoid doing that. We are anxious to try to obtain the facts. As my right hon. Friend said, the Trades Union Congress went gaily ahead urging the 40-hour week, and then they had second thoughts and decided that it would be a good thing to ask their own constituent trade unions whether the 40-hour week was a good thing or a bad thing. If the Trades Union Congress, on second thoughts, decided that it was better to be careful, the least that we can do is also to be careful. But that does not in the least mean that we are opposed to the 40-hour week, in principle. We have, as hon. Members know, invited the Trades Union Congress and the Confederation of Employers' Organisations to meet us and try to get a practical inquiry.

Question put, "That '£156,423,000' stand part of the Resolution."

The House divided: Ayes, 220; Noes, 47.

Division No. 65.] AYES. [11.0 p.m.

Adams, Samuel Vyvyan T. (Leeds, W.)
Agnew, Lieut.-Com. P. G.
Ainsworth, Lieut.-Colonel Charles
Albery, Irving James
Aske, Sir Robert William
Atkinson, Cyril
Baldwin, Rt. Hon. Stanley
Balfour, Capt. Harold (I. of Thanet)
Balniel, Lord
Banks, Sir Reginald Mitchell
Beauchamp, Sir Brograve Campbell
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Bernays, Robert
Betterton, Rt. Hon. Sir Henry B
Bird, Ernest Roy (Yorks., Skipton)
Bird, Sir Robert B.(Wolverh'pton W.)
Blindell, James
Boothby, Robert John Graham
Boulton, W. W.
Braithwaite, J. G. (Hillsborough)
Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Ernest (Leith)
Brown, Brig.-Gen. H.C.(Berks., Newb'y)
Burnett, John George
Caine, G. R. Hall-
Campbell, Edward Taswell (Bromley)
Campbell, Vice-Admiral G. (Burnley)
Caporn, Arthur Cecil
Cazalet, Thelma (Islington, E.)
Cazalet, Capt. V. A. (Chippenham)
Chamberlain, Rt. Hon. N. (Edgbaston)
Chapman, Col. R. (Houghton-le-Spring)
Cochrane, Commander Hon. A. D.
Colfox, Major William Philip
Colman, N. C. D.
Conant, R. J. E.
Cook, Thomas A.
Cooke, Douglas
Courtauld, Major John Sewell
Courthope, Colonel Sir George L.
Craddock, Sir Reginald Henry
Cranborne, Viscount
Crooke, J. Smedley
Crookshank, Capt. H. C. (Gainsb'ro)
Cross, R. H.
Crossley, A. C.
Davies, Maj. Geo. F. (Somerset, Yeovil)
Denville, Alfred
Duncan, James A. L. (Kensington, N.)
Dunglass, Lord
Eden, Robert Anthony
Elliston, Captain George Sampson
Emmott, Charles E. G. C.
Emrys-Evans, P. V.
Essenhigh, Reginald Clare
Everard, W. Lindsay
Fermoy, Lord
Ford, Sir Patrick J.
Fox, Sir Gifford
Fraser, Captain Ian
Ganzoni, Sir John
Gillett, Sir George Masterman
Gilmour, Lt.-Col. Rt. Hon. Sir John
Glossop, C. W. H.
Gluckstein, Louis Halle
Glyn, Major Ralph G. C.
Goldie, Noel B.
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Grattan-Doyle, Sir Nicholas
Graves, Marjorie
Gretton, Colonel Rt. Hon. John
Hacking, Rt. Hon. Douglas H.
Hales, Harold K.
Hall, Capt. W. D'Arcy (Brecon)
Hanbury, Cecil
Hanley, Dennis A.
Hannon, Patrick Joseph Henry
Harbord, Arthur
Hartland, George A.
Harvey, Major S. E. (Devon, Totnes)
Haslam, Henry (Horncastle)
Headlam, Lieut.-Col. Cuthbert M.
Heilgers, Captain F. F. A.
Henderson, Sir Vivian L. (Chelmsford)
Heneage, Lieut.-Colonel Arthur P.
Herbert, Capt. S. (Abbey Division)

Hope, Capt. Hon. A. O. J. (Aston)
Hornby, Frank
Horobin, Ian M.
Horsbrugh, Florence
Howard, Tom Forrest
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M. (Hackney, N.)
Hudson, Robert Spear (Southport)
Hume, Sir George Hopwood
Hunter, Dr. Joseph (Dumfries)
Hunter, Capt. M. J. (Brigg)
Jackson, Sir Henry (Wandsworth, C.)
Jones, Lewis (Swansea, West)
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Kimball, Lawrence
Knox, Sir Alfred
Lamb, Sir Joseph Quinton
Latham, Sir Herbert Paul
Leckie, J. A.
Lees-Jones, John
Leighton, Major B. E. P.
Levy, Thomas
Liddall, Walter S.
Lindsay, Noel Ker
Lister, Rt. Hon. Sir Philip Cunliffe-
Little, Graham-, Sir Ernest
Lloyd, Geoffrey
McCorquodale, M. S.
MacDonald, Rt. Hon. J. R. (Seaham)
Macdonald, Capt. P. D. (I. of W.)
McKie, John Hamilton
Maclay, Hon. Joseph Paton
Magnay, Thomas
Maitland, Adam
Makins, Brigadier-General Ernest
Mallalieu, Edward Lancelot
Mander, Geoffrey le M.
Margesson, Capt. Rt. Hon. H. D. R.
Marsden, Commander Arthur
Martin, Thomas B.
Mayhew, Lieut.-Colonel John
Merriman, Sir F. Boyd
Milne, Charles
Mitcheson, G. G.
Molson, A. Hugh Elsdale
Moore-Brabazon, Lieut.-Col. J. T. C.
Morris-Jones, Dr. J. H. (Denbigh)
Morrison, William Shepherd
Munro, Patrick
Nall, Sir Joseph
Nation, Brigadier-General J. J. H.
O'Donovan, Dr. William James
Ormiston, Thomas
Palmer, Francis Noel
Patrick, Colin M.
Pearson, William G.
Peat, Charles U.
Penny, Sir George
Perkins, Walter R. D.
Petherick, M.
Peto, Geoffrey K. (W'verh'pt'n, Bilston)
Pickford, Hon. Mary Ada
Potter, John
Powell, Lieut.-Col. Evelyn G. H.
Raikes, Henry V. A. M.
Ramsay, T. B. W. (Western Isles)
Ramsden, Sir Eugene
Rea, Walter Russell
Reid, David D. (County Down)
Reid, William Allan (Derby)
Rhys, Hon. Charles Arthur U.
Robinson, John Roland
Rosbotham, Sir Samuel
Runge, Norah Cecil
Russell, Albert (Kirkcaldy)
Russell, Alexander West (Tynemouth)
Rutherford, John (Edmonton)
Rutherford, Sir John Hugo (Liverp'l)
Salmon, Sir Isidore
Salt, Edward W.
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Sanderson, Sir Frank Barnard
Shaw, Helen B. (Lanark, Bothwell)
Shaw, Captain William T. (Forfar)
Simon, Rt. Hon. Sir John
Skelton, Archibald Noel
Slater, John
Smith, Sir Jonah W. (Barrow-in-F.)
Smith, R. W. (Ab'rd'n & Kinc'dine, C.)
Smith-Carington, Neville W.
Somerset, Thomas
Somervell, Donald Bradley
Soper, Richard
Sotheron-Estcourt, Captain T. E
Southby, Commander Archibald R. J.
Spencer, Captain Richard A.
Stanley, Lord (Lancaster, Fylde)
Stanley, Hon. O. F. G. (Westmorland)
Stevenson, James
Stewart, William J. (Belfast, S.)
Storey, Samuel
Strauss, Edward A.
Sugden, Sir Wilfrid Hart
Sutcliffe, Harold
Thomas, James P. L. (Hereford)
Thomson, Sir Frederick Charles
Thorp, Linton Theodore
Todd, Capt. A. J. K. (B'wick-on-T.)
Touche, Gordon Cosmo
Turton, Robert Hugh
Vaughan-Morgan, Sir Kenyon
Wallace, Captain D. E. (Hornsey)
Wallace, John (Dunfermline)
Ward, Lt.-Col. Sir A. L. (Hull)
Ward, Irene Mary Bewick (Wallsend)
Ward, Sarah Adelaide (Cannock)
Warrender, Sir Victor A. G.
Waterhouse, Captain Charles
Wedderburn, Henry James Scrymgeour-
Wells, Sydney Richard
Weymouth, Viscount
Whiteside, Borras Noel H.
Whyte, Jardine Bell
Williams, Charles (Devon, Torquay)
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Windsor-Clive, Lieut.-Colonel George
Winterton, Rt. Hon. Earl
Womersley, Walter James
Worthington, Dr. John V.
Young, Rt. Hon. Sir Hilton (S'v'noaks)

TELLERS FOR THE AYES.—Captain Sir George Bowyer and Lord Erskine.

NOES.

Adams, D. M. (Poplar, South)
Banfield, John William
Batey, Joseph
Bevan, Aneurin (Ebbw Vale)
Brass, Captain Sir William
Brown, C. W. E. (Notts., Mansfield)
Buchanan, George
Cape, Thomas
Cocks, Frederick Seymour
Cove, William G.
Cripps, Sir Stafford
Daggar, George
Davies, David L. (Pontypridd)
Davies, Rhys John (Westhoughton)
Dobbie, William
Edwards, Charles
Evans, David Owen (Cardigan)
Evans, R. T. (Carmarthen)
George, Major G. Lloyd (Pembroke)
Greenwood, Rt. Hon. Arthur
Grenfell, David Rees (Glamorgan)
Griffith, F. Kingsley (Middlesbro',W.)
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Harris, Sir Percy
Hicks, Ernest George
Jones, Morgan (Caerphilly)
Kirkwood, David
Lansbury, Rt. Hon. George
Lawson, John James
Leonard, William
Logan, David Gilbert
Lunn, William
McEntee, Valentine L.
McGovern, John
Maclean, Neil (Glasgow, Govan)
Maxton, James
Milner, Major James
Parkinson, John Allen
Price, Gabriel
Salter, Dr. Alfred
Thorne, William James
Tinker, John Joseph
Williams, Edward John (Ogmore)
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE NOES.—Mr. D. Graham and Mr. Groves.

It being after Eleven of the Clock, Mr. SPEAKER *proceeded, pursuant to Standing Order No.* 15, *to put forthwith the Question necessary to dispose of the Report of the Vote.*

Question, "That this House doth agree with the Committee in the said Resolution," put, and agreed to.

BLIND VOTERS BILL.

Read a Second time.

Bill committed to a Committee of the Whole House for Monday next.—[*Captain Fraser.*]

The remaining Orders were read, and postponed.

ADJOURNMENT.

Resolved, "That this House do now adjourn."—[*Captain Margesson.*]

Adjourned accordingly at Eleven Minutes after Eleven o'Clock.

HOUSE OF COMMONS.

Friday, 3rd March, 1933.

The House met at Eleven of the Clock, Mr. SPEAKER *in the Chair.*

PRIVATE BUSINESS.

York Corporation Transport Bill (by Order),

Second Reading deferred till Friday next.

Ministry of Health Provisional Order (Chester and Lancaster) Bill,

Ministry of Health Provisional Order (Eton Joint Hospital District) Bill,

Read the Third time, and passed.

WRITTEN ANSWERS.

BEER, WINE AND SPIRITS (STATISTICS).

Dr. SALTER asked the Chancellor of the Exchequer the number of bulk barrels of imported beer in respect of which the rebate was allowed during the calendar year 1932?

Mr. HORE-BELISHA: The number of bulk barrels of imported beer retained for home consumption in respect of which rebate was granted in the calendar year 1932 was 1,213,413.

Mr. GROVES asked the Chancellor of the Exchequer the number of bulk barrels of beer brewed during the year ended 30th September, 1932?

Mr. HORE-BELISHA: The number of bulk barrels of beer brewed in Great Britain and Northern Ireland during the year ended 30th September, 1932, was 18,945,000.

Mr. GROVES asked the Chancellor of the Exchequer the quantities of malt, unmalted corn, and molasses used in distilling, and the number of proof gallons distilled, during the distilling year ended 30th September, 1932?

Mr. HORE-BELISHA: The quantities of malt, unmalted corn and molasses used in distilling and the number of proof gallons of spirits distilled in Great Britain and Northern Ireland during the year ended 30th September, 1932, are as follow:

Materials used.	cwts.
Malt	544,581
Unmalted Corn	741,779
Molasses	3,642,239
	Proof gallons.
Spirits Distilled	32,062,000*

* This figure is provisional.

Dr. SALTER asked the Chancellor of the Exchequer the estimated net receipts for duty for the year ended 31st December, 1932, on beer, home-made and imported, respectively, spirits, home-made and imported, respectively, British wine and hops?

Mr. HORE-BELISHA: The approximate net receipts of duty for the year ended 31st December, 1932, on beer, home-made and imported, spirits, home-made and imported, British wine and hops, are as follow:

	£
Beer, Home-made ...	69,570,000
Imported	6,680,000
Spirits, Home-made ...	29,456,000
Imported	4,320,000
British Wine	232,000
Hops	77,000

MALE SERVANT LICENCE DUTY.

Major HILLS asked the Financial Secretary to the Treasury whether he is aware that many people, in order to help the unemployed, are making an effort to employ male labour, both inside and outside the house, more freely than before; that such persons are immediately confronted with a demand note to pay 15s. male servants tax; and whether he will consider the possibility to give relief from this tax to such persons who are genuinely giving work to men otherwise unemployed?

Mr. HORE-BELISHA: I would refer my right hon. and gallant Friend to the answer which I gave to the hon. and gallant Member for Coventry (Captain Strickland) on 21st February last.

ELECTRICITY SUPPLY, PAINSWICK.

Mr. PERKINS asked the Minister of Transport whether he is aware that there is a considerable demand from the inhabitants of Painswick, Gloucestershire, for electricity; and whether he will approach the Electricity Commissioners with a view to arrange for this supply to be granted?

Mr. STANLEY: The Electricity Commissioners have informed me that the question of establishing a public supply of electricity at Painswick has already formed the subject of communication between them and the undertakers concerned. The Commissioners are hoping to get a definite decision from the company shortly.

UNEMPLOYMENT.

SCOTLAND.

Mr. D. GRAHAM asked the Minister of Labour the amount of money expended on unemployment benefit in the counties of Midlothian, including the city of Edinburgh, West Lothian, and Fife, for 1931 and 1932, giving the amount spent in each county separately.

Sir H. BETTERTON: The following table gives the information desired:

Amounts paid in Insurance and Transitional Benefit and Transitional Payments at Employment Exchanges in the counties of Midlothian, West Lothian and Fife in the years 1931 and 1932.

County.	1931.			1932.		
	Insurance and Transitional Benefit.	Transitional Payments.*	Total.	Insurance Benefit.	Transitional Payments.	Total.
	£	£	£	£	£	£
Midlothian (including Edinburgh).	978,167	47,766	1,025,933	457,628	364,663	822,291
West Lothian	202,563	9,952	212,515	94,536	97,609	192,145
Fife	713,237	40,409	753,646	294,974	345,129	640,103

* The Transitional Payments scheme came into operation on 12th November, 1931.

WALES.

Dr. J. WILLIAMS asked the Minister of Labour the number of men unemployed in the iron and steel industry, the tinplate industry, the engineering trades, and the coal-mining industry for South Wales at the latest available date, with the percentage of the unemployed to those in employment.

Sir H. BETTERTON, *pursuant to his reply* [OFFICIAL REPORT, 2nd March, 1933, Column 532, Volume 275] *supplied the following statement:*

Insured men, aged 18 to 64, recorded as unemployed in certain industry classifications at Employment Exchanges in South Wales* at 23rd January, 1933.

Industry Classification.	Insured persons recorded as unemployed.	
	Number.	Per cent. of estimated number insured at July, 1932.
Iron and Steel (including Pig Iron)	13,169	53·5
Tinplate	10,682	45·5
General, electrical marine and constructional engineering and the construction and repair of motor vehicles, cycles and aircraft.	2,740	38·2
Coalmining	73,724	38·5

* Including the counties of Brecknock, Carmarthen, Glamorgan, Monmouth and Pembroke.

Mr. D. GRENFELL asked the Minister of Labour the figures of unemployment in the South Wales mining industry in January, 1933, and the same month in each of the preceding five years.

Sir H. BETTERTON, *pursuant to his reply* [OFFICIAL REPORT, 2nd March, 1933, Column 532, Volume 275], *supplied the following statement:—*

*Insured persons in the coalmining industry classification recorded as unemployed at Employment Exchanges in South Wales.**

Date.			Number.
23rd	January,	1928	... 82,926
21st	,,	1929	... 57,839
27th	,,	1930	... 34,617
26th	,,	1931	... 55,457
25th	,,	1932	... 81,357
23rd	,,	1933	... 78,676

* Including the counties of Brecknock, Carmarthen, Glamorgan, Monmouth and Pembroke.

ROYAL NAVY.

CRUISERS, DESTROYERS AND SUBMARINES (AGE).

Mr. DONNER asked the First Lord of the Admiralty how many cruisers, destroyers, and submarines at the present time are 15 years of age and over?

Sir B. EYRES MONSELL: The numbers of vessels over 15 years of age from date of completion, inclusive of Dominion vessels, are as follow:

Cruisers	16
Leaders and Destroyers ...	36
Submarines	1

MOTOR AMBULANCES.

Mr. HICKS asked the Parliamentary Secretary to the Admiralty how many motor ambulances attached to Naval establishments have been withdrawn during the past six months; what are the places concerned; and what alternative arrangements have been made in each case to provide adequate alternative transport in the case of serious accident?

Lord STANLEY: As a measure of economy, an ambulance has been withdrawn from the Royal Naval Armament Depot at Priddy's Hard. Arrangements have been made for any transport facilities to be provided by the Royal Naval Hospital at Haslar where several ambulances are maintained.

POOR LAW RELIEF.

Mr. LAWSON asked the Minister of Health the number of able-bodied unemployed persons now receiving public assistance, indoor and outdoor, respectively, in Great Britain?

Sir H. YOUNG: The average number of unemployed persons registered at Employment Exchanges who were in receipt of outdoor relief in England and Wales in each week of January, 1933, was 135,040, excluding dependants. The Returns made to my Department do not distinguish the persons receiving institutional relief who are relieved on account of unemployment. As regards Scotland, I would refer the hon. Member to the Secretary of State.

ORDERS OF THE DAY.

SUMMARY JURISDICTION (APPEALS) BILL.

Order for Second Reading read.

11.5 a.m.

Mr. TURTON: I beg to move, "That the Bill be now read a Second time."

In tracing the origin of this Bill, the House will perhaps forgive me if I refer to the Poor Prisoners' Defence Act of 1930. I was able to introduce that Bill in the last Parliament, but, being a new Member has its disadvantages, for on a maiden voyage I did not wish to carry too much sail. I therefore eliminated from the Bill everything that was difficult or contentious. I entirely excluded the appeal from the courts of summary jurisdiction. During the Second Reading many hon. Members noticed that omission. Among them was my hon. Friend the Senior Member for the Cambridge University (Sir J. Withers), who was the grandparent and the godparent of the last Bill, and whose absence from the position of sponsor of the present Bill is due to his appointment to a certain departmental committee. After the intervening time, I do not feel any more fitted to embark upon a stormy voyage, but I believe that there has been a considerable change of attitude in public opinion towards this matter and, I may say, a change of competence in the House to deal with it. When I introduced the last Measure we were still a party Government. Now we are free from the trammels of a party Government or the timidities of a party caucus. What the Socialist Government did not dare attempt to do in the interest of the poor man writhing under a sense of unjust conviction, the National Government have, I believe, both the will and the courage to pass into law.

Before explaining the provisions of the Bill, I will explain the present position in this matter. Not every hon. Member will have had the personal misfortune, or the professional good fortune to appear in a court of summary jurisdiction, and I would ask hon. Members to step into the shoes of a man who is appearing in the police court to answer a charge. Let us assume that he has been charged with stealing a £1 note. When he appears he pleads not guilty. The police then intimate that it is a case with which the court can deal summarily, and the chairman of the court asks the man if he consents to the case being dealt with summarily. It is a considerable reflection on the education provided in elementary schools that in 99 cases out of a 100 the man consents to be dealt with summarily, yet I think that the House will realise some of the thoughts that pass through the mind of the man in giving his consent. If a case of simple larceny is dealt with summarily, the punishment can be only six months' imprisonment. If the man elects to go to quarter sessions to be tried, he is liable to a punishment of five years' penal servitude. Another consideration which will weigh with him is the delay, with a charge hanging over him, that will take place before he can be tried by quarter sessions. Any time up to three months may elapse between his appearing in the police court and his trial. He agrees, therefore, to be tried summarily, and he is convicted by the police court.

In his own eyes he believes himself to be innocent and that he has good grounds of appeal. What is his position? He must first within seven days give notice of his intention to appeal, not only to the clerk of the court, but to the other side. Within three further days he must enter into a recognisance to pay the costs of the appeal. He may also have to find sureties and the court has power to order him to pay down a deposit. The path of an appellant is not any easy path, and it is made more difficult by the practice applied by the clerks of courts of summary jurisdiction. The average recognisance or deposit in the police courts is £50. What poor man at the present day can find £50 and pay it within ten days of being convicted? To the rich man it presents less difficulty, but to the poor man it is insuperable. The House may have heard of a certain sneer of Lord Justice Mathew, and I will repeat it because it has considerable point. Lord Justice Mathew said: "In this country justice is open to all, like the Ritz Hotel." If the man is able to pay that £50, what is his next difficulty? The poor man under my last Measure has the advantage of being defended by a solicitor in the police court, but on his appeal to quarter

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sessions that advantage is no longer with him. However poor he is, he is unable to obtain legal aid on appeal before quarter sessions.

Just contrast this path of an appellant with his path if he takes the other course and elects to be tried by a jury at quarter sessions. If poor, he has the assistance of a solicitor and counsel, and if he has good grounds of appeal he can appeal without paying any deposit or any recognisance. In the Court of Criminal Appeal since 1907 he has been able to have the assistance of counsel in prosecuting an appeal. The result can be seen from the crime statistics. I am hampered to some extent in being able to quote only the statistics for 1930, the others not having been published. In that year 8,000 persons were convicted at courts of assize and quarter sessions. Out of that number 442 appealed. In the same year, in courts of summary jurisdiction, 520,000 persons were convicted, and only 314 appealed. I ask the House to consider these figures. There were only three-quarters the number of appeals out of 60 times the number of convictions.

At first sight that would appear to proclaim a sense of satisfaction, of placid confidence in the decisions of those who preside in courts of summary jurisdiction, a greater satisfaction than with the decisions of men who have spent their lives in learning the law of evidence and in judging the merits of a case; but if we look at the result of the appeals I think a different story can be told. Out of the 442 appeals to the Court of Criminal Appeal from the proceedings of quarter sessions and assizes, in only 23 cases was the conviction quashed, in 28 cases the sentence was modified, and in 391 cases the appeal was dismissed. Out of the 314 cases of appeals from courts of summary jurisdiction, in 102 cases the conviction was quashed, in 81 cases the sentence was modified and in only 131 cases was the appeal dismissed. I ask the House to weigh well those figures—in the one group only one in every 20 cases a wrong decision; in the other one in every three a wrong conviction. In fact, in appeals from the courts of summary jurisdiction the decision was found to be wrong in more cases than it was right.

It may perhaps be said that I was fortunate in my year, 1930, and to guard against that suggestion I put certain questions to the Under-Secretary of State for the Home Department two days ago to ascertain the figures for 1931. In appeals from assizes and quarter sessions during 1931 the conviction was quashed in 30 cases, the sentence was modified in 35 cases, and in 448 cases the appeals were dismissed. In appeals from courts of summary jurisdiction convictions were quashed in 91 cases, the sentence was modified in 117 cases, and in 140 cases the appeal was dismissed. I think the House will realise that these figures are about an average year by year of what goes on under the present law, and they show that in cases of appeal from the courts of summary jurisdiction the decision is altered more times than it is allowed to remain. It may be thought that the alteration of a decision occurs only in minor matters, and that in graver charges the courts of summary jurisdiction are right. To meet that point I have two sets of figures which I will submit to the House before passing away from these statistics. In 1930 16,484 persons were convicted in courts of summary jurisdiction of simple larceny, a matter involving the question of the honesty or dishonesty of some person. Out of those 16,000 cases only 33 persons appealed. In 10 of those appeals the conviction was quashed, in 15 cases the sentence was modified, and in only 4 cases was the decision upheld.

One other set of figures relates to convictions in courts of summary jurisdiction for indecent exposure. In those cases 1,216 persons were convicted. There were only 13 appeals, and in 8 cases the conviction was quashed, and in three cases the sentence was modified and in only two cases was the decision affirmed. I submit that those figures present a most alarming and grave situation. I ask the House whether it is satisfied that among those 1,216 persons there were only 13 who wished to appeal, only 13 who had gone to appeal and only 8 persons whose conviction should have been quashed. It is remarkable to note the smug complacency with which this country has for so long allowed the rich a chance to appeal but deprived the poor of the same opportunity.

The object of my Bill is to remedy that situation, and if hon. Members will turn to its provision I will very shortly explain it. In Section 1 the Sub-section of the

Summary Jurisdiction Act, 1879, which lays down that recognisances must always be paid by an appellant is repealed. Before taking the serious step of suggesting the repeal of a decision of this House on so important a matter I had the curiosity and interest to look up the Debates in the House when the Summary Jurisdiction Act was being considered in 1879. I wanted to see what mention there was of the inequity and injustice of these appeals. I found that the House considered at some length the inequity and injustice of the position of clerks of the peace under the Summary Jurisdiction Bill. The then hon. Member for Penryn, Mr. Cole, said:

> "He knew many gentlemen who had accepted the position of clerks of the peace for counties and had given up their profession in reliance upon receiving the fees payable in that office. These gentlemen in many cases would lose £500 or £600 a year by this Act; and he would ask if this was fair, right or just."

The position and the argument was put even more clearly by a gentleman, obviously from Wales, Mr. Lloyd Morgan, who said:

> "This Bill itself furnished some remedy for the loss of fees by the provisions made for appeals. But the number of these, it was well known, would be very inconsiderable, because prisoners and their relations were usually very poor, and in cases where they were defended before the magistrates their means were so exhausted that they were unable to prosecute an appeal. How few appeals, except in bastardy cases, ever come to quarter sessions? He ventured to say the appeals under the provisions of this Bill, so far from adding in any essential degree to the fees at quarter sessions, would add very little indeed. Therefore, it came to this, that the incomes of the gentlemen who held the offices of clerks of the peace, and who took those offices on the supposition that the fees were to be continued to them, would be very seriously diminished."

That was the only argument addressed to the House of Commons upon the justice or injustice of the provisions for appeal under that Act. I think the House, in considering those arguments now, will appreciate to what a length we have gone to-day. We no longer consider whether certain gentlemen gain or lose by the amount of crime which is prosecuted in their Courts. We are trying to help the position of anybody who is before the Court upon an important criminal charge.

Clause 2 of my Bill provides that where a would-be appellant is in custody and desires to appeal the Court may, if it thinks fit, release him on bail pending appeal. Section 3 gives an appellant without means the right that is at present enjoyed by the appellant without means to the Court of Criminal Appeal. That right is granted so that the appellant shall have similar advantages to that of a man under the Poor Prisoners' Defence Act, 1930. I have drafted Section 3 very closely to that Act, so that the legal aid should be given by the recorder or chairman of quarter sessions, and not by the court of summary jurisdiction. It is practicable, because in nearly all cases the appeals to quarter and borough sessions are taken on the second day, and therefore the recorder or the chairman will have opportunity during the first day to consider the question of means, and whether legal aid should be allotted. I have done it, because there is a certain amount of feeling in the country that there might be bias on the part of courts of summary jurisdiction in granting legal aid. I do not wish to subscribe to that view, but it is desirable when such is the fact to take appropriate precautions. A book was published this year on English Justice by a Solicitor, putting forward that point very strongly, and it would be well for the House to secure that the question of legal aid should be in the hands of the recorder or the chairman of the quarter sessions. Section 4 of this Bill exempts Scotland and Northern Ireland, enlightened places where the poor are already provided for.

It is a simple little Bill. It is backed by members of four parties in the House, and I believe that it will commend itself to the members of the other three parties when they read it. I would like to attempt to meet some of the objections that may be made to it. First of all, it may be said that the Bill is badly drafted. I take the full responsibility for the drafting, but the amateur draftsmanship of the Temple can be remedied in Committee stage by the professional skill of the Whitehall draftsmen, if the Bill is allowed to go to Committee. It may also be objected that a departmental committee is sitting upon this matter. The Committee was set up on 7th July, 1932, and had its first meeting six months later in January. It is a strong Committee in which I have great confidence. I believe

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that it will report soon and decisively, but I would suggest that this matter is urgent. Yesterday, to-day and to-morrow men have been, are being and will be convicted, and deprived of the opportunity of appealing against the decision because they have to pay £50 recognisance. I ask the House not to admit the objection that a Departmental Committee is sitting upon the subject. If, as we hope, that Committee reports before this Bill reaches the Committee stage, I shall be most pleased to amend the Bill to meet any recommendations of that Committee that will provide for the better regulation of the appeals from courts of summary jurisdiction.

I have heard it whispered that there may be an objection on the grounds of economy. I say "whispered" because I challenge any hon. Member to set up that objection by a speech in this House. If there are double the number of appeals as a result of this Bill, and if in every additional case the man is poor and cannot get legal aid, Section 3 will cost the country the sum of £600. If hon. Members think that this country is in such a terrible state that we cannot afford £600 for justice, I suggest that every hon. Member should forgo £1 of his salary to pay the expenses of this Bill. I do not believe that the country will stand any economy in bare justice. It may be objected that the Bill will lead to frivolous appeals, and that men with no case will prosecute their appeal because they do not have to pay any recognisance. Perhaps I should admit that there is a slight risk, but that risk is provided for under that part of the Summary Jurisdiction Act, 1879, that I have not repealed. Under Section 5 of that Act the Court of Appeal has power to order any unsuccessful appellant to pay the costs of the appeal, and that is, to a certain extent, a prevention of a man appealing in a frivolous manner, because the court may punish him by calling upon him to pay what would be a considerable sum, varying between £50 and £100.

Hon. Members may say that this Bill is an innovation. For long we have suffered under this system of recognisances. It is an old-established principle and canon of law that if a man is detained in prison he shall not have to find a recognisance to pay the costs of an appeal. I will refer to the words of the Master of the Rolls, Lord Esher, in 1896. He said:

> "Where the liberty of the appellant is in question, or where highly penal consequences will be entailed upon the appellant by the order appealed against, so far from thinking that the court is bound in any case to make an order for security of costs, I think, as a general rule, that the court would not do so."

What the High Court decided nearly 40 years ago in the interests of justice, and laid down as a canon of law, it is high time that this House should apply to the courts of summary jurisdiction.

There is one omission that I was very reluctant to make, and I had considerable doubt as to whether I was right. My hon. and learned Friends will notice the omission more than lay hon. Members. I have omitted all appeals by way of case stated. My reason for doing so was that there is, as the House will realise, considerable congestion in the High Court at the present time. Appeals by way of case stated must be tried under the present procedure by three of His Majesty's judges. To encourage this form of appeal would result in greater hardship and injustice to other litigants, because there would be even greater congestion in the High Court. It may be that additional judges will be appointed, and, if so, I think that the objection to this step would be gone; but, in any event, I would suggest that it is a matter for discussion in Committee, where the Committee can, if it thinks it right to do so, also repeal Section 3 of the Summary Jurisdiction Act, 1857, and allow appeals by way of case stated to be made without recognisances. As my Bill stands, people would have to enter into recognisances before prosecuting an appeal by way of case stated, although not in the case of appeals to Quarter Sessions. I would make an appeal to those hon. Members who not only desire a reform in regard to appeals from courts of summary jurisdiction, but also desire to reform courts of summary jurisdiction themselves and the system of justices of the peace, not to overload this Bill. Whether the system of courts of summary jurisdiction is the wisest that man can devise is, in my view, outside the scope of the Bill. It is, I would respectfully submit to the House, not a fit subject for a private Member's Bill, but is a matter of great importance to be raised by way of Motion, as it was in this House before Christmas. I ask the House not to mix up the vexed question of the fitness or otherwise of justices of the peace with the provisions of this Bill.

A man can make a mistake; a lawyer can make a mistake; and the records of the Court of Criminal Appeal show that Judges can make mistakes. How much more can these justices of the peace—men chosen without any legal qualification, with no experience of the weighing of evidence—make mistakes? That is the way in which I would ask the House to look at the matter. Admittedly, mistakes are made in courts of summary jurisdiction, but, nevertheless, appeals from those courts alone are hampered. England is a great democracy, but, in regard to appeals from courts of summary jurisdiction, she adopts a system that would be condemned by every form of government except a plutocracy. I would ask the House, in considering this Bill, to realise that English justice is, and has for long been, our pride, but that at the present time, for the poor man who is convicted by a court of summary jurisdiction and wishes to appeal, English justice does not exist. It is in order that every man, however rich or however poor, may enjoy his birthright of justice, that I ask the House to give a Second Reading to this Bill.

11.39 a.m.

Sir WALTER GREAVES-LORD: I beg to second the Motion.

I congratulate my hon. Friend the Member for Thirsk and Malton (Mr. Turton) upon the very careful way in which he has introduced this Bill; and I should also like to congratulate him upon the good luck he has had since he has been in this House. Some of us have been hammering away at this and other questions for quite a considerable time, and it is not with any feeling of envy at all, but with feelings of sincere congratulation, that we say we are glad that my hon. Friend, within his short period in this House, has been able, by the luck of the Ballot and by his own persistence, to be associated with two Bills, one of which is now on the Statute Book, and the other, we hope, will be on the Statute Book soon.

It has always seemed to me that the position with regard to appeals from courts of summary jurisdiction was absolutely indefensible. We have gone to no small pains in this country to perfect the right of appeal from the higher courts. From quarter sessions and from the Judges dealing with criminal administration we have been careful to provide the most adequate safeguards for any man who has even a suspicion that he has been wrongly convicted to appeal to the highest authority; and yet, during all that period, we have left the courts where there is the greatest liability to error alone, and have virtually deprived the poor man in those courts of any right of appeal whatsoever. It is not in accordance with the practice of the administration of justice that that should be the case. My hon. Friend's quotation from Lord Esher went to show that the practice of the High Courts in civil matters was largely against penalising the poor man by any orders for security. Orders for security are made in civil matters on appeal and they are made for the purpose of providing against the possibility of the unsuccessful appellant being quite unable to pay the costs of the other side. That is a serious matter, because it is necessary to be just to those who have to defend these appeals as well as to those who prosecute them, and many a man has been ruined by the bringing of an unsuccessful appeal against him involving his being put to the expense of defending the appeal and trying to uphold the decision, and then not being able to recover a large part of the costs occasioned by the other side.

Even in those cases, however, the appeal courts in civil matters have been extremely careful not to make an order for security in such a way as to stifle the appeal. Time and again appeals come before the Court of Appeal on accident matters, and the Court of Appeal is asked, in its discretion, to order the appellant to pay security as a condition of prosecuting the appeal; and, where the appellant is a poor man, and is appealing against a decision depriving him of damages or compensation for personal injuries, it is the rarest thing for the Court of Appeal to make any order that goes beyond £20 at the outside, and the average amount is about £10 or £15. And yet, in cases where a man's liberty has been taken away, he has, by orders of justices, in many cases been deprived of his right of appeal unless he has been in a position to deposit a

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sum of £40, £50 or £80. It is a strange commentary upon the difference between the administration of justice by some courts and the general administration of those who are trained in the administration of justice. I think we are entitled to say, when people are apt to gird at lawyers, that we shall find on this matter a definite concensus of opinion among lawyers that there should be no hindrance to the administration of justice in its fullest liberality to all classes.

I should like to say a word about this curious system of recognisances on appeal from justices. As my hon. Friend has pointed out, a party who seeks to appeal from an order of justices is called upon, within three days after giving notice of appeal, either to enter into recognisances or to give security by way of deposit for the prosecution of the appeal. It may interest the House to know that there is by no means certainty that the deposit or recognisances will be used for the purpose of paying the costs which are due to be paid by the unsuccessful party, because, while that hindrance is put in the way of the man who appeals, it is a matter of the discretion of someone else as to how those reconnaissances are used.

For example, what happens on an unsuccessful appeal? Take it that the appellant has been compelled to give security for, say, £50 for the prosecution of the appeal. He is unsuccessful and an order for costs is made against him. They may tax out at anything from £15 to over £150, but the average is probably £30 or £40 at the outside. The costs are not paid. A motion is made to estreat the recognisances, that is, to enforce them by taking possession of the deposit. One would have thought that, as that was a condition of the appeal, the money obtained by forfeiting the deposit would be used to pay the successful party's costs. Nothing of the kind. In Lancashire, if you make an order estreating the recognisances, the money, if recovered, goes into the funds of the Duchy of Lancashire, and it is entirely a question for the discretion of the Duchy whether it is used for the costs of the successful party or for Duchy purposes. The question of what to do in circumstances of the forfeiture of recognisances is one which causes Chancellors of the Duchy from time to time very considerable anxiety. But it is just the same in other parts of the country. The money is forfeited to the Crown. The person who has been unsuccessful in the appeal may be a private individual. It is within the discretion of those who advise the Crown whether the money that is forfeited shall go to the payment of the successful party's costs or be used for Crown purposes. It seems rather ridiculous to put upon a man a condition which may deprive him of his right of appeal, and which is supposed to provide against frivolous appeals and to provide for the payment of the successful party's costs, when in truth and in fact there is no such definite purpose about it, and it is entirely a question within the discretion of someone else whether it should be so used or not. That has always seemed to me a ridiculous position.

There is one matter which my hon. and learned Friend has deliberately left out, and that is the question of appeal by case stated. I should have thought there was no real excuse for leaving it out on the grounds that he has given, although I do not think anyone will suffer materially by it being left out. As a rule, appeals by case stated are not asked for except by persons who can very well afford to do it, and, in any case, whether the case is granted or not is again entirely in the discretion of the magistrate whose decision is being appealed against. There are cases where you can enforce a case, but in most cases it is at the discretion of the court. There are well-recognised grounds upon which a matter can be dealt with by refusal or otherwise, but surely in those cases there is in the very conditions of the appeal an adequate safeguard against frivolous appeals. That being so, there is a complete safeguard against anything in the way of extravagance, and I should have thought there was no real objection to including those cases within this Bill as well as the others.

Of course, everyone realises that in the main what a man wants who appeals from a court of summary jurisdiction is really a re-trial, and that is what is obtained by an appeal to quarter sessions. The possibility of error is great. It is amazing what things can happen in a court of summary jurisdiction. I am not making any general attack upon magistrates. The lay magistrates perform a difficult duty, very often with little or no training, and they perform it on the whole extremely well. I do not mean by that that I think they are ideal tribunals. I think they might be replaced by tribunals which would deal with cases with less risk of bias and prejudice than lay justices—but there are strange things. Only a short time ago I came across a case where, on the hearing of a summons, the respondent, on the plaintiff's case being ended, was approaching the witness box to give her evidence when she was told by a policeman, "It is not you they want, but someone else." She was turned out of court, the case proceeded and an order was made because the defendant had not appeared. One would think it was impossible for a thing of that kind to take place, and yet it took place in one of the best managed police courts in the country.

I have known within quite recent times this sort of thing happening. A man was present in a police court. He heard a case from beginning to end. The defendant was sentenced to two months' imprisonment without the option of a fine. The man was so filled with a sense of the injustice of the proceeding that he went to the magistrate and offered to provide security for the prosecution of an appeal if the defendant wanted to appeal. An order was made for £10 as security. There is not the smallest doubt that, if the defendant had been left to his own resources, he would never have found even the £10 as security for his appeal. One has come across all sorts of cases. You have certain friendly societies particularly to look after people who are convicted—I do not mean friendly societies in the legal sense but, for example, the Jewish friendly society who look very carefully after their own race. I have known quite a number of cases where persons of the Jewish race have been convicted and ultimately the convictions have been set aside where, without that help that is given so freely by all classes of the Jewish race to their own people, those appeals would never have been brought because the very small sum asked for security could not be found. It is not satisfactory that the righting of wrongs should depend on a haphazard system of that kind. It is a blot upon our judicial system that there should be even the possibility of that sort of thing.

I agree that one matter which will have to be considered in Committee is the possibility of the opening of the floodgates to frivilous appeals, but I think that idea of a flood of frivolous appeals may very easily be exaggerated. On the whole, the British people have a fairly accurate sense of justice, particularly when they realise that, in the case of an appeal from the court of summary jurisdiction to quarter sessions, the court has the right to increase penalties. You have in that a fairly good safeguard against frivolous appeals. At any rate, that sanction has worked very well in connection with the Court of Criminal Appeal, because it has the same power. There are a number of people who might have been tempted to appeal from decisions of the judge of first instance were it not for the fact that they realised that there was power in the Court of Appeal to increase the sentence in case they should wish frivolously to appeal. As far as that matter is concerned, I think that it may very well be considered in Committee. Some of our Dominions are very much more advanced than we are in these matters. I believe that in South Africa there is provision made so that the appellant court may be correctly informed if an appeal is brought, particularly in cases which involve the liberty of the subject. Provision is made for a shorthand note to be taken, and where the judgment is challenged—and I am not certain it does not apply whether judgment is challenged in the first place or not—there is an officer deputed to read the shorthand notes, and, after reading them, to decide independently of any tribunal whether leave for appeal should be given, and, if it is given, it is not marred by any such difficulty as the recognizance which prevents appeal in this country.

I do not desire in any way to delay the House on this matter. It is a matter which, I think, every Member of the House will hereafter be proud to have assisted. People do not always realise the guilding principle of the administration of justice in this country. People are apt to jeer at what they think are the archaic points of our laws of evidence. They do not take the trouble to consider the why and the wherefore

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of those rules of evidence, but a little examination would show to them that the guiding principle of our courts is certainty of proof, and that our rules and laws of evidence are directed towards obtaining certainty of proof, so that there shall be nothing haphazard or slipshod in the administration of justice, and that is particularly so in connection with the criminal court. Behind it all is the definite notion that the fact that a guilty person may occasionally escape is of no lasting importance at all. The one fact which, in the opinion of all connected with the administration of justice, would mar and condemn our system would be the slightest possibility of an innocent person being convicted. That is the guiding principle, and it does surely necessitate that in all cases where orders can be made by way of imprisonment or by way of fine, there should, at any rate, be all reasonable opportunities for diminishing the margin of error and for putting any errors right. It is because I believe that this has been an outstanding blot upon our system and never ought to have been there at all—it is indeed a contradiction of the ancient form of Magna Carta—that I warmly support the Bill. This practical prohibition of the right of appeal of poor people from courts of summary jurisdiction has been a denial of justice, and as a denial of justice it should be wiped off the Statute Book. Our law should be freed from it, and I hope that this Parliament, will take steps to see that the blot is removed for ever from our system of criminal administration.

12.1 p.m.

Mr. RHYS DAVIES: It is very difficult and, indeed, almost dangerous for a layman to intervene in a Debate of this kind, but I rise in the main to prove, if that were necessary, that the Bill is backed by laymen as well as legal Members of the House of Commons. I too must congratulate the hon. Gentleman the Member for Thirsk and Malton (Mr. Turton) not only for his luck in the ballot but because he has chosen this particular proposal and embodied it, as I think may well be the case very soon, in the law of the land. The only qualification I possess for intervening at all in this Debate is that some years ago, I sat upon a committee under the chairmanship of Lord Justice Finlay who inquired into this particular problem and we reported that something of the kind contained in this Bill ought to be done. I ought also to congratulate the right hon. Gentleman the Member for Chorley (Mr. Hacking) upon his elevation to the position of Under-Secretary of State at the Home Office. I think that it is proper that I should do so. I wish, however, that he was a Minister in a very much more intelligent Government, but of course that is not his fault. I hope that with his entry into it the Government will be less stupid than they have been in the past. But that has nothing to do with this Measure; we are all united I believe on the provisions of the Bill.

I hope that I may be able to say just a word or two to help the Measure to pass into law speedily. When I was asked to back the Bill it did not require anything more than the reading of its main provisions to convert me, and I will read the Clause which appealed to me most. It is quite a simple but important provision.

> "If it appears to the court of general or quarter sessions to which an appeal from a conviction or order of a court of summary jurisdiction lies that the means of an appellant or respondent are insufficient to enable him to obtain legal aid, and that it is desirable in the interest of justice that such appellant or respondent shall have legal aid, the court may grant him a defence certificate, and the provisions with respect to defence certificates in the Poor Prisoners Defence Act, 1930, shall apply."

That Clause appealed to me in this way: there must be something done very soon in this country to obliterate from the minds of the people that you can still purchase justice provided you have the cash with which to do it. I think that that idea prevails in the mind of a goodly number of people. It is true to say, I think that where it does not require any money to be deposited in a case at law justice is meted out in this country on a very even scale indeed. But those of us connected with the trade union movement have had experiences of this kind, and I hope hon. and learned Gentlemen who are more conversant with the technicalities of the law than I am will find no difficulty in admitting my argument. My experience as a trade union official has led me to this conclusion. Where persons are members of a trade union they are always better equipped to secure justice merely because they are backed by the finances of a powerful organisation. I have been astonished that working people are not members of trades unions, if only for this reason—and here I must pay tribute to some of the County Court judges—that when a Workmen's Compensation case goes to County Court often the first question that is asked by the Judge of a working man is: "Are you a member of a trade union?" I am afraid that if I proceed further on these lines I shall convert hon. Members into joining my trade union, but possibly they already belong to a trade union of their own. I have come across cases where injured workmen have fallen out of trade union membership or have never joined one. I have known cases where one man has been charged with exactly the same offence as another man, and the person who is outside the trade union has suffered penalty whereas the man inside the trade union wins his case. The trade unionist can always secure the services of a very eminent advocate to defend him.

If the intentions of the Bill are, and I believe they are, to secure justice irrespective of whether a man is rich or poor, I have the greatest pleasure in supporting it. The Bill is very necessary. I speak from experience as a member for a long time of the Departmental Committee of the Home Office on the treatment of young offenders. This problem came before that Departmental Committee on occasions in a fairly acute form. If I know anything about the problem it is this: and the hon. Member who seconded the Second Reading of the Bill and has a very wide experience of these matters also mentioned it, that I have a feeling somehow that although the Bill is travelling on the right road it does not go far enough. I would very much have liked to see justice in every section of the courts secured without the feeling that you are able to buy it with money. As a layman who has had to deal sometimes with cases when they have entered the court, it seems to me that it is not sufficient for the court to feel that justice has been meted out, but the courts must so act that it appears to the defendant himself that he has secured justice: It is not sufficient that the verdict satisfies the judge; it must seem to the man in the dock that he has had justice at the hands of the court. I quote the best authority in saying that the law is not reasonable unless it harmonises all the conflicting interests of the community and secures the well being of the whole. It is a fact that there are poor, decent men who on occasion are caught in the meshes of the law through no fault of their own and through no fault of anyone else either. It appears later that they have committed no offence at all against the law. We all desire that justice should be done to rich and poor alike; and as this Bill is in the main a Bill to champion the cause of the poor in prosecuting their rights in our Courts of Justice, I heartily support it.

12.10 p.m.

Mr. THORP: I am sure that it is hardly necessary for any of us to endorse the appeal that has been made by my hon. Friend who moved the Second Reading of the Bill, but at the same time I think it is not quite right to say that there is one law for the rich and one law for the poor, although in so far as procedure is concerned, it does not infrequently happen that that state of affairs comes about. The law remains the same, but having regard to the procedure which is open enabling a rich person to carry an appeal forward whereas a poor person is not in a position to do it. The Summary Jurisdiction Act was passed 54 years ago, and at that date the position and powers of the magistrate not only in the number of the cases they had to deal with, but the powers which they had to exercise, were very much less than they are to-day. A very considerable number of Statutes have been passed, and it seems to be the tendency nowadays to put the decision of cases into the hands of magistrates in summary courts and petty sessions, and into the county court, whereas in the olden times they would have gone to the High Court. This process has been going on and the jurisdiction of the magistrates has been very widely increased. They have been given much more extensive powers in the way of dealing with cases, but the right of appeal from the magistrates has remained limited as it was before.

I entirely agree with my hon. and learned Friend the Member for Norwood (Sir W. Greaves-Lord) when he says that

[Mr. Thorp.]

extraordinary things can go on in petty sessions and before the magistrates. We all know that when they do extraordinary things those magistrates who have been acting extraordinarily are less likely to fix a reasonable amount of security and so enable what they have been doing to be challenged in any court. Moreover, it very often happens, and to some extent it is a great advantage, that magistrates sitting in petty sessions have known all his life or all her life the antecedents of the particular person brought before them, and they cannot help at times unconsciously allowing that personal knowledge of the individual to weigh with them, rather than dealing with the case, as they ought to do, simply and solely on the evidence before the court.

May I suggest to my hon. Friend the Mover of the Second Reading that some words might be put into the Bill by which the court of quarter sessions or some other court over the magistrates should have power, upon appropriate cause, to extend the time within which an appeal may be made and entered upon. It has been rightly said that recognisances must be entered into within three days and notice of appeal must be given within seven days. It would be advisable to consider the insertion of some words which would enable those three days to be extended, by a further order to that effect if necessary, and to enable that period of seven days also to be extended. I believe I am right in saying that if a person is convicted by the magistrates and unable to obtain his or her release by reason of not putting up the security at once, there is exhibited in the cell of the prison to which the person is taken a notification with regard to the time within which he or she has to appeal, but it occasionally happens that people do not appreciate the importance of acting punctually within that time. I suggest that, on appropriate cause being shown and proper security being given, someone should have the right, which no one has now, to extend the period of seven days, and so enable a person who had allowed the period to go by to put in an appeal.

The hon. Gentleman who spoke last said that people very frequently find themselves prosecuted in police courts through no fault of their own. There are so many rules and regulations to-day, that I doubt whether everyone in the country at some time is not a criminal in the technical sense of the word. He may be fortunate enough not to break the eleventh commandment in that he is not found out. At the same time, there are all sorts of technical matters—offences under the London Building Acts, for example—which, quite unconsciously, people do contravene. In those circumstances, having regard, as I say, to the great tendency to extend and increase the amount of work that has to be done by justices, I do think that there ought to be no difficulties whatever put in the way of prosecuting these appeals. It has always struck me as being particularly illogical and stupid that where you send very often difficult cases to be dealt with by non-technical justices involving very considerable sums of money, that the less training the tribunal has, the less right of appeal there is from that tribunal. It does seem to me to be a perfectly impossible situation, and, in the circumstances, I think the House, if I may say so with the greatest respect, has received this Bill with sympathy. I hope that it will give a Second Reading to the Bill, and that it may, after Amendment in Committee, come into operation as soon as possible.

12.17 p.m.

Mr. LOVAT-FRASER: I wish to add my quota of support to this Measure. We are all familiar with the emblematic figure of Justice in female form with a band round her eyes holding in her hand a pair of equally balanced scales; but those of us who have been associated with the administration of justice know that that figure is rather an ideal than a fact, and an ideal to which, I am glad to think, we have been for many years steadily approximating. The criminal history of this country is appalling reading. At the beginning of last century boys were hanged for stealing apples. Men and women were executed in droves, and we honour men like Sir Samuel Romilly and Lord Brougham for their successful efforts in bringing to an end the worst features of our criminal system. George the Fourth is not one of the Sovereigns of our country of whom we speak with very much respect, but I do honour his memory for one thing, that he detested the rigour of our criminal system, and did his best to lessen it.

This afternoon we are engaged in taking another step in the direction of the amelioration of the law. We have now a state of things which is a very real injustice to the poor. My hon. and learned Friend who spoke last made a reference to the shortness of time allowed for finding recognisances and security. That shortness of time is a very real grievance. There are Members of this House, I have no doubt, who are quite financially sound who, if they were suddenly called upon to find £50, would have some considerable difficulty in doing so. That applies with still more force to the working man, and I endorse and support the remarks of my hon. and learned Friend with regard to the desirability of removing that injustice. We are all influenced—I confess that I am largely influenced—in supporting this Measure by the character of the summary courts. I have on former occasions in this House expressed my opinion of the average magistrate, but my hon. Friend who opened the Debate deprecated discussion of the Bill from that point of view, and I do not want to pursue it. But I should like to mention the first experience I had which shook my faith in the tribunal of the justices. I happened to be defending a farmer on a charge of watering his milk. I was instructed by some farmers' society. The farmer was duly tried, and, in face of the most cogent evidence to the contrary, he was convicted. I was so shocked that I took the opportunity some little time after of speaking to one of the magistrates who had given the decision, and expressed my astonishment and amazement at that decision. His reply was, " Mr. Fraser, everyone of the magistrates wanted to acquit the farmer, but, for some reason or other, the clerk wanted to convict him, and he stood with his back to the door and would not allow us to leave until we had convicted ". That case in my own experience illustrates the character of some of the decisions in the summary courts.

The fact that there are frivolous appeals is no reason for depriving men who ought to have the right to go to courts of appeal, or for not removing the injustice under which they suffer. But I do not fear an undue number of such appeals. Even if the law be altered, and it ceases to be necessary to find recognisances and security, it still will be an irksome matter for a man to pursue an appeal. If he is a working man he has to come to the court, losing a days' work, and have all the embarrassment and worry of appearing personally in Court. I do not therefore think there will be a large number of frivolous appeals as a result of passing the Bill. There is one class of the community in particular who figure in one's mind when one is considering the propriety of bringing about this reform. I refer to the motorists. There are a large number of motorists now who earn their living by running a motor vehicle of some kind. I do think that these men are sometimes subjected to injustice. They have their licences suspended, and have not the means to carry the matter beyond the courts of summary jurisdiction, and with the growth of motor traffic and the increasing number of motorists who are liable to be punished by having their licences suspended, it is desirable that this reform should be brought about.

There is one other matter and I am finished. My hon. Friend who introduced the Bill said that he did not want to overload his Bill, but there are one or two difficulties which he ought to consider, and which, I think, ought to be met. I should like to ask him whether anyone under a Probation officer would be brought within this Bill. I would also ask whether the Bill will apply to private as well as police prosecutions. Next, how about the persistent offender? How are you going to deal with him? Then, will the Bill apply to both conviction and sentence, and if the appeal is successful, should the respondent pay the appellants costs? I throw out these matters for consideration of my hon. Friend as matters which ought to be considered in Committee, and made quite clear. With these few remarks, I wish strongly to support what I believe to be an overdue Measure.

12.25 p.m.

Mr. LLEWELLYN - JONES: In supporting the Second Reading of the Bill, may I congratulate the hon. Member upon the lucid manner in which he has explained its provisions. At the present time magistrates have such wide powers that a Bill of this kind is necessary. In 1879 the cases tried by courts of summary jurisdiction were comparatively few, but

[Mr. Llewellyn-Jones.]

since that date Parliament, in its wisdom, has greatly increased the powers of magistrates in regard to cases which come before them, and it is rather peculiar that the position, so far as courts of summary jurisdiction are concerned, should have been allowed to remain as it is. The poor litigant is in a different position to the wealthy person. Take the initial stages of a case, even before it comes before the court of summary jurisdiction. A man who is possessed of means and is brought before the court upon a charge, whether serious or not, is from the outset able to engage the best professional assistance. The majority of cases which come before courts of summary jurisdiction and even before the county court and the High Court are not won in the court itself but in the preparation of the case before it is brought to the Court, in the securing of evidence and finding what witnesses can be brought to speak in support of the defence. That is where the wealthy litigant succeeds as compared with those who lose their case in the courts because of faulty preparation. At the start a rich man is in a different position to a poor man.

What happens in a court of summary jurisdiction. His name is called, he steps into the box or stands in front of the table. He is not professionally represented and does not realise the power which the magistrates have in the matter. He pleads not guilty to the charge. One or two witnesses are called by the police, who are assisted by a solicitor, and after the witness has been called he is asked whether he has any questions to ask. He endeavours to make a statement but is immediately told by the chairman or the clerk that he must not make a statement then but will have an opportunity of making it later. After asking one or two questions he finds himself in some considerable difficulty as to how he should proceed. He desists; and in many cases—I have realised it often myself as I have sat in the court—a little further cross-examination of the witnesses for the prosecution would probably have resulted in an entirely different impression upon the justices. Afterwards he gets an opportunity of going into the witness box and giving evidence on oath or of making a statement. The difficulty of a man who has never been in court before must be apparent to all. He is asked if he has any witnesses to call, but those who could have supported him have not been subpœned and he is left without the assistance which he ought to have had to present his case properly. The bench convict, and sentence him to a fine or term of imprisonment.

Then he begins to realise that something has gone wrong. He feels—this is not a solitary case, it happens week after week—that owing to the fact that his case has not been properly put before the bench that injustice has been done. He wants to appeal. Anyone who takes the trouble to look through the pertinent section in the 1879 Act will realise that it is absolutely hopeless for the ordinary layman, who has had no experience of legal work, to appreciate exactly what has to be done in the case of an appeal, and the number of cases which have gone to the High Court are such as to indicate that it would be well to repeal the whole of this Section and have a new provision dealing with appeals of this character. This also must be remembered in comparing what takes place in a court of summary jurisdiction and at an assize or quarter sessions. Such a large number of cases are now within the competence of magistrates that with the exception of certain very serious offences they can deal with almost the whole range of the criminal law.

Compare their procedure with that of the assize court or quarter sessions. Where a plea of " Not Guilty " is put in the man is tried by a jury. The Judge, or the chairman at quarter sessions, sees as witness after witness is called that he does not make any statement which is not strictly in accordance with the rules of evidence. If the prisoner is not being defended by counsel the judge is particularly careful that he gets his assistance in the way of eliciting all the evidence which may be necessary in order to enable the jury to come to a satisfactory conclusion. Having heard all the evidence, and the jury having been addressed by counsel for the prosecution and the defence, the judge proceeds to direct the jury as to their verdict. He sets out the facts of the case as clearly and as succinctly as possible and indicates to them the questions which they should ask before coming to a conclusion as to whether the prisoner is guilty or not. But even then, as has been pointed out, there are many cases where injustice has been done. The number of cases which go to the Court of Criminal Appeal and the large number of the successful appeals, would indicate that the success of the appeals is due to the fact that the Judge or Chairman of Quarter Sessions or Recorder has misdirected the jury or failed to direct them.

What is the situation with regard to the bench of magistrates dealing very frequently with a type of case that will be heard by a Judge of Assize and go to the Court of Criminal Appeal? The magistrates are in the position of both judge and jury. The defendant or his legal representative has not the remotest idea as to what steps have been taken in directing the magistrates as to the decision to which they are to come. They may be directed. Perhaps there is a chairman with a great deal of experience, and when the justices retire he reviews the evidence from his notes. In many cases possibly the justices are not even competent to do that, and they have to take the direction of their clerk, who may be learned or may be far from competent to deal with an intricate case. They come back into court, they give their decision, and the defendant does not know on what ground they have come to that decision.

Look at the difference in the case of the man who has been convicted at Assizes. Every precaution has been taken there to see that the jury are properly directed. The defendant has an immediate right of appeal without going through anything like the intricate procedure which is outlined in the Act of 1879. Not only is the procedure simple, but he is able to appeal without being called upon to deposit anything in the way of costs or to enter into recognisances. The unfortunate litigant in the police court finds himself face to face with the intricate procedure of the 1879 Act, and is also called upon to enter into recognisances. The experience of most practising solicitors in various parts of the country is that the justices as a rule, anxious that if the appellant fails in his appeal the costs shall be forthcoming, insist on the deposit of an amount of money being demanded from the defendant. It is in the very cases where a man cannot get any satisfactory sureties because he is a poor man that this demand is made.

One wonders how it is that this procedure has been allowed to continue for such a long time. One knows that justices very often resent any suggestion of an appeal. The suggestion of an appeal is regarded by many of them as a kind of unwarranted reflection upon their capacity to deal with the cases that come before them. I know from experience that in a very large number of cases the justices do all in their power to discourage appeals. We must not imagine that the number of cases in which injustice is done to a defendant is small. Up to a few years ago there was scarcely a week when I was not in some police court. In a very large number of cases in which defendants were not represented and the magistrates had given their decision, it was quite a common thing in the conversations between solicitors or counsel practising in the court, and myself, to hear the remark "A pity this poor fellow had not someone to put his case before the court." It was a case in which clearly there ought to have been a different decision, had the defendant's case been put properly.

The statement has been made that this Bill may lead to frivolous appeals, but I do not think the possibility of a small number of frivolous appeals justifies the denial of a provision for those persons who have good ground of appeal. It is important to realise that the majority of cases that come before a court of summary jurisdiction are cases in which the police are the prosecutors. From the beginning all the resources of the State are at the disposal of the prosecution. How different is the position of the defendant in those cases. The great ideal in connection with the administration of justice is that every step within reason should be taken to enable the courts to come to a decision as to guilt or innocence. If there has been any miscarriage in the court of first instance the person who feels that he has had an injustice done to him should not be placed at a disadvantage. The Section of the Act of 1879 which this Bill would repeal is unnecessary in the case of rich litigants, but it is cruel if a poor man stands before a court and realises that an injustice has been done to him.

[Mr. Llewellyn-Jones.]

The Judges of the High Court have on more than one occasion referred to the position. I shall end by referring to what Lord Atkin said about three years ago in addressing a meeting of the Magistrates' Association. Lord Atkin in the address which he delivered to the Association put the case for my hon. Friend's Bill in a very clear and convincing manner. This is what he said:

> "I want to say something about the question of appeals. I am glad to be speaking in the presence of the Lord Chancellor who, I know, has this matter present to his mind. I consider that the whole system which exists at the present moment of appeals from justices to quarter sessions is old-fashioned and really quite unjustifiable. You have had your jurisdiction increased enormously. There are dozens of cases now heard before the justices which, in the old days, would have been heard at quarter sessions or assizes. If those cases were heard at sessions or assizes, the accused person would have the right of appeal without cost or trouble. He would only have to apply for leave to appeal in respect of some matters, and, on a question of law, he would have an appeal as a right. He could put his case without any formalities at all, and it would be quite certain to be very carefully considered by His Majesty's judges, and I know with what care they are considered. That case comes before the justices now and he has lost all those rights. He has got a right of appeal but only if he gives sureties and gives notice within a certain time. The rules are very technical. The truth of the matter is that it is only relatively rich men who can appeal at all from the justices. The poor are incapacitated from doing so; they are tied up by regulations which are sometimes so technically administered as to amount to a perfect scandal."

It is because I believe that Lord Atkin's words ought to be listened to with respect by all in this House and because I believe that this Bill is one step in the direction of dealing with this scandal that I trust the House will give it a Second Reading.

12.48 p.m.

Sir WILFRID SUGDEN: I should like to join with other Members in most hearty congratulations to my hon. Friend the Member for Thirsk and Malton (Mr. Turton) for the very careful and splendidly prepared speech in which he submitted this Bill to the consideration of the House. Those of us who know something of my hon. Friend's quality at the Bar feel that he will soon emerge into the ranks of those who are known as "learned in the law," and certainly if the progress of this Bill to the Statute Book is what we hope it will be, he will have made his contribution to the legislation of this country in a fashion and a form which will be very helpful to the people of our country. I wish to say a few words in anticipation of what the Under-Secretary of State for the Home Office will probably say when he comes to speak on behalf of the Government. The hon. Gentleman may have in his mind the idea—although I know that neither my hon. Friend who introduced the Bill, nor the supporters of the Bill intend it—that the Bill may be some sort of reflection upon the magnificent lay magistracy of this country. I wish to say, frankly, that we are not in the slightest degree questioning the efficiency of our splendid lay magistracy. Nothing of the kind is intended.

We all know that a lay magistrate to-day, because of the enormous extra duties imposed upon him, requires an education and a prescience which a High Court judge of two centuries ago did not require. Let me give a specific instance from my own experience as a barrister, if the House will forgive a reference to personal experiences. I would point out to hon. Members how carefully our justices study the various Local Government Acts. There is no magistrate with less than 10 years' legal training and without legal knowledge as well as other knowledge, who can correctly adjudicate in respect to breaches, sometimes criminal breaches, of the Local Government Acts of 1925, 1930 and 1932. It is impossible for a lay magistrate unless he has had some legal training or experience to adjudicate correctly on some of the extremely difficult Acts of Parliament which this House has placed on the Statute Book for the protection of the people. I have in mind two men who were Members of this House for a dozen years and who have entered the legal profession, not for the purpose of practising it, but in order to fit themselves to discharge their duties as justices. Therefore, I hope that the Government will not imagine that we depreciate in the slightest degree the care and pains which magistrates take in discharging their duties and in dealing with those who come before them for justice.

In passing, may I say—although it has no immediate connection with the Bill—

that many of us hope that at a future time some necessary qualifications will be required in connection with the appointment of lay magistrates. I hope that in the future it will not be considered sufficient qualification that a gentleman has reached a certain age, and has got the leisure time, or that he has rendered some special service to his town or his county. I hope that it will not be taken as a sufficient qualification for a person to become a magistrate that he or she may have been an important person in connection with some political body. We hope that the time is not far distant when, before a person is appointed to the magistracy, he or she will be required to show efficiency in being able to deal with the complicated legislation which has to be administered to-day.

Some hon. Members have said that there are certain other considerations which ought to be included in the Bill. My hon. Friend, I am sure, when the Bill goes into Committee, will be willing to include, if the Committee in its wisdom approve, any matter that may arise which is appropriate to the Bill. The last speaker referred to the question of frivolous appeals. That raises a very knotty question and I am not sure that even the Act of 1879 with its many Clauses entirely covers the position. But my hon. Friend is very properly seeking to eliminate Sub-section (3) of Section 31 of that Act and to include the provision which is set out in Clause 3 of this Bill. With this Bill on the Statute Book it ought to be possible to deal with such matters as frivolous objections. We know the admirable work which is done at present by the probation officers and to my mind it should not be impossible, still to use the old 1879 Act, along with the provisions of the present Bill and take advantage of the work of the probation officers and of local associations. These societies, some of them of a benevolent type, provide assistance for prisoners in cases of difficulty where, it may be, the prisoner has no means or where there is no opportunity within the scope of various Acts for him to be represented.

In respect to the matter of cost, these are days in which we play with millions, in a way in which in the old days we spoke of hundreds, and if it be possible that £600 may be the expense of administering one feature of this splendid Bill, when we consider some of the Measures which we have passed, but which have not brought their full value in relation to the cost incurred, I do not think it right that we should consider £600 as an insuperable barrier. Even if it does entail the appointment of one or more extra Judges, I do not see that this House should stand on that matter. At any rate, justice should be done, and, if this question of money is to enter into a clear application of what is right and proper for the poor folk, I say that £600 or even the cost of an extra Judge should not stand in the way of appeal.

My last point is as to the possibility of an increase of sentences under the Bill. I think most of my hon. and learned Friends know that that would not arise in this matter, and some of us say, with great respect, that this at present is not possible. It has been suggested that sentences might be increased, but I do not see how that could be. I have gone very carefully through the old Act and studied the Clauses of this Bill, and I really cannot see the possibility of that objection. Let us give this Bill a chance, and if so be that it wants moulding or shaping somewhat and that the Parliamentary draftsman feels that in some of its phraseology it may not correctly and properly apply in the best interests of those concerned, I am sure my hon. Friend who introduced it would be only too pleased to adapt and alter it accordingly. This is an opportunity for better justice for those who cannot afford always to fend for themselves in a court, and I give it my hearty support.

12.57 p.m.

Mr. LYONS: I should like to offer my warm congratulations to the hon. Member for Thirsk and Malton (Mr. Turton), who presented this Bill, on the clarity, detail, and force with which he did so. Hon. Members on all sides will welcome this Bill, I feel sure. It has always been an indefensible anomaly that in these days, with the jurisdiction of magistrates so widely increased, they themselves should have the power, after deciding a certain issue, to perform an act which in itself is a barrier to allowing an aggrieved person the opportunity to question the merits of the decision against him which they have made. When one thinks that this arbitrary right of taking away from the accused and convicted person the

[Mr. Lyons.]

opportunity to challenge that decision is one which that court has, and which no High Court Judge wants or is allowed to have in the whole of our legal system, it makes one wonder what the circumstances were that enabled a court of this nature to be in a different position from that of any other criminal court in the land.

In judging this matter, I think we must bear in mind how gravely increased is the jurisdiction of magisterial courts to-day, and how they decide in so many cases on matters which are virtually matters of life and death to the person charged before them. Of all courts where there should be a free application of any right of appeal, I think this stands out as the court most needing to give the freest right to a reconsideration of its judgments. As has been said by one of the supporters of the Bill, there is no real understanding of how a magisterial court comes to its decision, and, assisted as they are by a clerk, we have that clerk standing in a position which is outside any real criticism, in that he is not a member of the court and yet may play a very active part in bringing the decision of the magistrates to a point against the prisoner charged before them.

There may come a time when the whole question of magisterial courts will have to be reviewed, and some uniformity of system fixed, and perhaps the present system swept away altogether, but, as my hon. Friend, in introducing the Bill, said, it is merely intended to assist justice in the system already established. I think every hon. Member listened with great interest to the statistics which he gave, but there is one set of statistics which he did not and could not give, the absence of which this House has to consider, and that is the number of cases where men have gone away from our police courts smarting under a sense of injustice, with a grievance that might be very well-founded, and yet, by the consequential decision of the magisterial court itself, those men have been precluded from putting to the test the decision which has been given against them, because of the fixing, by some arbitrary arrangement, of a surety which operates as a barrier against their having an appeal before a properly constituted higher court.

We do not know what those statistics are, but I do not hesitate to inform the House that one has seen many, many cases where difficult points have been considered by justices, who have come to a decision which, on the face of it, is open to very grave argument and is such that the man concerned is affected on account of a conviction which means everything in this world to him. They have come to that decision and have, by fixing the surety which they now fix under the Summary Jurisdiction Act, erected what to that man is an insuperable barrier. I know of many cases, as, I am sure, do many of my hon. and learned Friends, where men anxious to appeal have been denied the rights which they ought to have had by the corollary to a conviction by a biased bench, which has convicted a man and then set a barrier against appeal which is discretionary in their hands altogether. It is that arbitrary right to fix that barrier after there has been a conviction that this Bill attempts to abolish.

The hon. Member who introduced the Bill stated that it might be urged against him that the Bill would encourage the making of frivolous appeals, but under the Summary Jurisdiction Act the court trying an appeal will have every power, and may be able to make any such order as could have been made by the court of first instance. The exact words of Sub-section (4) of Section 31 of the Act of 1879, in the last part of the Sub-section, are perfectly clear, and are as follow:

> "or may make such other order in the matter as the Court of Appeal may think just, and may by such order exercise any power which the court of summary jurisdiction might have exercised, and such order shall have the same effect and may be enforced in the same manner as if it had been made by the court of summary jurisdiction."

Those words, which will not be interfered with by the Bill now before the House, will give to the Court of Appeal ample power to inflict any legal sentence they like on a man who has appealed, in their view, without any just ground, and that court may have the same power as the Court of Criminal Appeal now has in dealing with any appeal against a sentence which the court thinks is not well founded. The question of expense does not enter into the matter at all. In every case involving a certain sentence of imprisonment the accused man has to be asked if he is willing to be dealt with summarily or whether he wants to be tried by a jury, and the exercise of this choice to be tried by a jury might well put the country to greater expense than the removal of the blot that still exists on the fair name of Justice.

An hon. Member made a point as to the effect of Clause 3 of this Bill. By virtue of the 1930 Act, which, by a strange piece of luck in the Ballot, was also initiated by my hon. Friend who introduced this Bill to-day, power was given for the first time to a bench of magistrates sitting as a court of first instance to give out of public funds aid for the hearing before them of any case where they thought the gravity of the case warranted it and the means of the prisoner would otherwise prevent him being defended. One can assume that there will be no real hardship on a man who is given the benefit of the Poor Prisoners Defence Act before the court of first instance and then, when an appeal is made, that Act becomes operative by Clause 3 of this Bill. Although that legal aid may not operate on the appeal until the first day of the quarter sessions, there will be no hardship from the delay, because the case will be fresh in the mind of the solicitor who represented the man at the police court. It is right that this Bill does not deal with what is known as the "case stated", and I think my hon. and learned Friend the Member for Norwood (Sir W. Greaves-Lord) put the position with accuracy when he pointed out that a different class was mainly affected by those appeals than the class proposed to be included in this Bill. The hon. Member who introduced the Bill was wise in avoiding the criticism that would have arisen from overloading it. The appeals which come by way of "case stated" are interesting and important, but largely academic. They are intended to get a decision on a matter of importance in which the question of costs does not as a rule arise.

This Bill is the poor man's charter of the police court, where a conviction may give a man the mark of felony, and such courts are the last courts which should have the arbitrary right to make their decisions final. The Bill gives to that man the absolute unfettered right of saying that he will have the decision of the court tested by an appropriate, competent and qualified court of justice. I hope that when members are considering this Bill they will recall the extraordinary anomaly that it is the only court in the land which is administering justice which is not legally qualified. For the smallest debt sued for, the claim is considered by a legally qualified tribunal. The class of case which is tried in the police court, with all the implications that follow a conviction, is tried by the one untrained, unqualified court in the land. It comes to a decision through devious methods, not one of which is shown in the light of day, by a system depending on a gentleman who is not a member of the court, who may not perhaps assist in the more serious deliberations. The court comes to a decision after having applied its mind in private in certain personal directions, and probably bringing into consideration antecedents which they are unable to withstand.

I cannot see any argument that can be advanced against a Bill which seeks to make a right of appeal from that tribunal, which, of all others, should have a ready system of appeal. It is not within the ambit of this Measure to discuss magisterial alterations which some of us would like to see. My hon. Friend the Member for Lichfield (Mr. Lovat-Fraser) made one or two caustic observations about the present system of magistrates. It may well be that in these days of enlightenment, the present system is wholly inadequate. It may be argued that some magistrates do very good work indeed. I venture to say that the inferior courts of the land should not have the absolute right of blocking any challenge to their decision on matters which mean life and death to convicted persons. One sees amounts fixed by way of so-called recognisances which have no relation at all to the costs which might reasonably be involved in the appeal which it is sought to make against magisterial decisions. They are fixed for the one obvious purpose of stopping an appeal which a convicted man wants to make, especially when they come from a bench which has expressed strong views against the prisoner and against certain types of offence. This gives grounds for the allegation inside and outside the court that something more than justice, something more than a desire for justice, is tempering the findings of the bench. Justice must not only seem to flow, but must flow. It must not only be there, but it must be made available. One would stand aghast at a High

[Mr. Lyons.]

Court judge or a learned recorder desiring to usurp to himself the right to say that he shall block a man's right of appeal. Without leave on matters of law and with leave on matters of fact, there is an unfettered right to appeal against a verdict to a superior court.

No question of costs has to be considered by a convicted man who desires to appeal on a matter of law against conviction in a court presided over by one of the ornaments of the judicial benches of the world, namely, a British Judge. The question of costs is not considered by the Court of Criminal Appeal in their desire to reach justice. To allow the question of costs to impede justice in the most inferior court in the land is, in my submission, archaic and indefensible, and an anomaly which should be swept away at the earliest possible moment. I am very glad to have had the opportunity of backing this Bill and offering my observations upon it, and with great respect I venture to offer the final hope that the House will give every possible facility to the passing of a Measure which in the time to come will be a great satisfaction to every one of us who had the privilege of being here to take an important stand in promoting the desire to give justice to the working class, to the poorer classes, to everybody within our gates who is entitled to justice irrespective of financial considerations.

1.16 p.m.

Mr. JANNER: There can be no question that any hon. Member of any party who has had the slightest experience of procedure in police courts will readily and willingly give support to this Bill which was so ably moved by the hon. Member for Thirsk (Mr. Turton). When the question of legal reform was before the House some little time ago it was my privilege to emphasize, to the best of my ability, the importance of this particular move in the direction of remedying a very serious evil and difficulty. After all, the important thing to consider in this regard is the number of people who are affected and the reason why, out of the great number of cases tried before courts of summary jurisdiction, so few persons appeal against the decisions of those courts. I say with great respect to my hon. and learned Friends in this House that the people who really have the experience in this important matter are those who have contact in the first instance with the individuals concerned, and they are the solicitors. There is no solicitor who has practised in the courts who does not realise that there are innumerable convictions which could and should have been the subject of appeal, and which are allowed to pass merely because of the financial difficulties that stand in the way such as the finding of recognisances, the finding of sureties or other technicalities which at present exist. In 1931 some 630,000 cases were dealt with in the police courts, and only 200 of those involved considered that they were in a position to lodge an appeal against the decisions. If justice is to be done, the poorest in the land must have equal opportunities with the richest.

It has already been said that the law does not make any direct provision for assisting the rich against the poor, but the fact of the matter is that in practice the poor man is put in a worse position than his rich neighbour. The reason is obvious. A rich man would not dream of going into court even for the most trivial offence without having legal assistance. It might not even be necessary for him to appear. His lawyer would conduct the case on his behalf. The poor man, on the contrary, has to appear in a court where everything is entirely strange to him. He finds himself hustled, possibly, with dozens of other people waiting to appear before the magistrates. When he is brought before the magistrates he attempts to ask questions or to state facts in the wrong place. When he is told that he must ask questions, often he does not understand how to do so. Everybody who has been in a police court for any length of time and has watched these cases will know that is so. If the defendant wants to say anything he is told that he must wait until the end of the case for the prosecution. He is told that he has the opportunity of examining or cross-examining witnesses. In the end he becomes entirely confused, and does not give expression to the true facts of his case, simply because the atmosphere of the Court is entirely strange to him, the surroundings are strange to him, and he has not the manner and the lucid method of expression which are often so necessary, even in the most trivial cases, if a correct decision is to be arrived at.

In many cases the magistrates have not time to deal with each case in great detail. They deal with those cases which are presented to them by advocates and others because they have got to deal with them, but they do their best to hustle or to get through the business as quickly as possible, and, indeed, one cannot altogether say that it is their fault if the person before them is not capable of expressing himself. They have to take the facts as they are presented to them and do the best they can with what may have been very poorly said. In those circumstances a large number of errors are bound to be committed. The magistrate is, after all, only a human being. He has his "on" days, if I may put it that way, and his "off" days. He may be apt to forgive on one day and on another day to impose a heavy sentence, or a heavier sentence than is justifiable. On one day he may be in a mood to acquit and on another day he may be moved by virtue of unexplainable feelings to convict. That being the position apart from other considerations the defendant ought to be given the opportunity, irrespective of his financial position, of appealing against a conviction. He should be given the opportunity of taking advice, and if he finds that what he thought when he entered the court was a trivial matter has become to him a very serious matter by reason of a conviction which he did not expect, then he should be given every facility to enable him to appeal against the conviction.

Already we have heard what are the obstructions in his path. We have heard that the question of expense to the State will immediately arise if facilities are given for appeal, but surely we are not at this stage in our history, going to allow any question of expense to assist the miscarriage of justice even in the slightest degree in the case of even the poorest and lowest of our people. Reference has been made by the hon. and learned Member for Norwool (Sir W. Greaves-Lord) to the fact that certain institutions exist to assist individuals in difficulty by giving them financial aid or an opportunity of taking legal advice, but the position should not be reduced to that level. I have the greatest admiration for those institutions particularly in my own constituency which year in and year out give legal advice freely, institutions which are constituted of Members of all parties. They give their advice and assist in every conceivable degree, and are very useful to enable persons to overcome difficulties of this nature. Nevertheless they are not in a position to cope with the vast majority of cases that require dealing with, and when it comes to a question of appeal. I think it will be appreciated by the right hon. Gentleman, or whoever is going to reply on behalf of the Government, that there is an intense feeling throughout the country, and in every district, that this matter must be dealt with by amending the law itself. I hope that the Government will accept this Bill, although in my view it does not go by any means far enough to deal with all the difficulties that exist.

I am not in full agreement with some other hon. Members who have spoken, because I am sorry that the hon. Member who introduced this Bill did not include appeals on stated cases. Why should hon. and learned Members presume that when a person finds himself anxious to question the jurisdiction of a court, or desires a case stated on a legal question although there are intricate technical difficulties to be observed, that this person should not be entitled to have the case stated with similar facilities as the person who goes to the court of quarter sessions on appeal? It is just because those intricacies exist that those of us who have given careful attention to this matter of appeals for some considerable time feel that appeal ought to made easier. Much more than that, we think that the formalities which have to be observed—in regard to the case stated, for example—and which are almost unknown to 75 per cent. of the petitioners in the courts without referring most carefully to their books should be removed. Appeals should be considered in the light of a poor person being able to conduct them even without legal assistance, and notices should not have to be in a strict and confined form. Notices should not have to be given to eight or ten magistrates and should not have to be delivered within certain times without right of correction. There should be a certain amount of elasticity in that respect. The suggestions that are contained in this Bill do not go far enough in that regard.

[Mr. Janner.]

There is another way in which the provisions of the Bill might be amplified. Many hon. Members who have spoken during this Debate have said that magistrates are not men who are presumed to be fully versed in the law, and that they are laymen. One hon. and learned Member said that magistrates have to study for 10 years before they are able to administer the Acts to which he was referring. We all know that lay magistrates do not spend 10 years, they do not spend 5 years, on study of the law. They go to the courts and they take, in most cases, an intelligent interest in what is happening. They listen to the facts. Some of them have experience because they have been in the courts on previous occasions. Some of them have read the "Justice of the Peace," or some other journal which is published for use by magistrates and they rely to a considerable extent on the advice given to them by the learned magistrates' clerk. If the contention of hon. and learned Members is true, the present system of appeal is from one set of magistrates of that description to another set of magistrates of the same description. Appeals are taken from a court of summary jurisdiction to the quarter sessions and at the quarter sessions the same type of gentlemen are sitting, unless a recorder is sitting. There may be an appeal from a stipendiary who is a man versed in the law, to a court of quarter sessions where men are sitting who are not versed in the law. The whole thing seems to be anomalous.

I should have liked to see an additional Clause in the Bill. I am not blaming the hon. Member for Thirsk (Mr. Turton) because I realise that the thin end of the wedge has to be put in first. It is not an easy job to move even a National Government in a matter of this description, but the thin end of the wedge is being put in very well. I would like to have seen a proposal whereby the court of assize might have been made the court of appeal in certain cases or that a recorder or someone versed in the law should sit at the quarter sessions when a case comes up for appeal, so that there might be some higher authority than the court of summary jurisdiction to hear the appeal. This is the only instance in the whole of the English legal system where an appeal is taken from the decision of one set of individuals to the decision of another set of individuals who are practically on the same plane, and who have, in many instances, similar amount—or lack—of legal training. In other instances, the court of appeal may have had a very much less experience in legal practice and in legal procedure than the court of summary jurisdiction. I understand that one of our learned judges is a justice of the peace. It would be rather interesting to know what would happen in the event of that learned judge giving a decision in the court of summary jurisdiction and, upon the case being taken from the purview of that court to a court of appeal where a lay bench was sitting, the appeal court should decide that the learned judge had made an error on a question of law.

My appeal to the House is the appeal of one who has seen much of these difficulties and who has had to advise persons that although I thought there were grounds for appeal—the lawyer himself is, of course, not always sure—and that there might be a successful issue on appeal, yet at the same time it was impossible to proceed. "Here you are," I have had to say, "placed in circumstances where you must find sureties, and you must do things which are entirely outside your power. In the circumstances, you had better stay in prison, or you had better pay the fine, and be satisfied." That is a most unsatisfactory state of affairs. I hope that the right hon. Gentleman will see his way to accept this very useful and small attempt to remove the difficulties.

I am not anxious to delay the House in regard to the other points which have been referred to. There is no reason why this Measure should not be sent to Committee. There are many people with vast experience of these matters who would be able to assist in introducing new Clauses, and an opportunity would, I take it, be given to the Government to attack those Clauses if necessary. On the other hand, very useful assistance might be given to the Government in arriving at conclusions satisfactory to themselves and to others concerned. I do not know what are to be the findings of the Committee that is sitting, but I suppose we shall get those findings in a very short time. My own view is, if I may say so with respect, that they will probably coincide to some considerable extent with the views which have been expressed by some of us here this morning, and I venture to believe, indeed, that they will coincide with some of the views that I have expressed myself.

Be that as it may, here is the chance to get on with the job. I would say, let this Bill go to a Committee, and, while it is going through the Committee stage, let us have this report, and let us add to the Bill further, if necessary, on the strength of the report. After all, the Government must not be too anxious to confine to themselves the privilege of introducing a Measure of this description. Private Members are entitled to some little right in that regard. Let the Government help the Bill forward by giving such assistance as is necessary to mould it into further shape, with the benefit of their experience and knowledge. I commend the Measure to the full mercy of the Government and of its spokesman to-day; and I think it would be a gracious concession on the part of the right hon. Gentleman if he would say now that he is convinced, having heard nobody in the House speak against the Measure, that this is an appropriate time for the introduction of a Bill of this description, and that he will do his utmost to help it through the Committee stage.

1.38 p.m.

Mr. GOLDIE: My somewhat limited experience of this House has led me to the very definite conclusion that it is in the best interests of all concerned that Members should only address the House when they have first-hand knowledge of the subject that is being debated. For that reason, I have abstained on many occasions from inflicting myself on the attention of the House; I think I have only spoken on one previous occasion. I feel, however, that, as one who has had some 20 years' experience as a member of the junior Bar in the North of England, and some four years' experience as a Recorder, I may, perhaps, be allowed to pay my tribute to the first-hand knowledge displayed by the hon. Member who so ably introduced this Bill. I am sure he will not for one moment think that I am criticising the general principle of the Bill if I make at a later stage a few suggestions which may render the Bill even more useful than it is in its present form.

I should like to draw the attention of the House to a point of view which has not yet been dealt with. I speak as one whose duty it is to administer justice as a Recorder in a large industrial borough in the North of England. I have had the privilege of occupying that position for some four years, and during that time, although the indictable offences in the borough have decreased almost to vanishing point, correspondingly the non-indictable offences dealt with summarily by the magistrates have increased enormously; and yet I can assure the House of a fact which, to those hon. and learned Members who are present, may seem almost incredible, namely, that in the whole of these four years I have never yet had to try an appeal from a conviction. Why? Because of the obstacles which prevent a poor man from obtaining the justice to which he is entitled.

I pass to another subject, and one which, I confess, for certain reasons which I need not elaborate, I feel considerable difficulty in bringing to the attention of the House. There is no question that the most difficult cases with which the ordinary recorder or chairman of quarter sessions has to deal on appeal are maternity cases, and I think there can be nothing more terribly shocking to any man who is conscientiously trying his hardest to get at the truth of a case of that kind than to realise that, in practically every case that comes before him, the man is the appellant, and not the unfortunate girl with whom things have gone wrong. In my experience, and I think the hon. Member for Newton (Mr. Essenhigh) will bear me out in this, the number of appeals by girls against orders made by the court below is infinitesimal compared with the number of appeals by men against charges which, rightly or wrongly, have been made against them. There is something wrong there.

We have all paid our tribute to the lay magistrates, but let it be remembered that, in the particular kind of cases with which I am now dealing, the lay magistrate, the recorder and the court of quarter sessions start with the absolute knowledge that somebody has already committed perjury, and is going to commit it again, because, when you have at the back of the court an infant,

[Mr. Goldie.]

"Mewling and puking in the nurse's arms,"

you have there the living embodiment of a lie as to what has already taken place. It follows logically from that that these extraordinarily difficult matters must be dealt with by skilled legal minds. What is to be done? Surely, it must be made possible for these appeals to come before people with trained legal minds, and this is where I venture, with the greatest respect, to criticise my hon. Friend's Bill. It is to be remembered that every one of the appeals which would come within the provisions of the Bill in its present form are *bona fide*, but he will bear me out from his own experience that there is a certain stamp of cases in which a girl deliberately chooses the man whom she thinks most likely to pay. It is a horrible feature, but it is known to everyone; and it is these cases that have to be watched keenly by trained legal minds.

Let me give a personal experience, which I remember a good many years back. There was a lad, a chauffeur, who was engaged to a charming girl, a housemaid in a neighbouring house. He was happy, and looking forward to being married in some two years' time, when he got promotion. Suddenly another domestic made charges against him which, had they been substantiated, would have ruined him for life. It was my privilege to investigate the case. The matter came before a bench of lay magistrates, who were equally divided. On the second day the case was heard again, and, by a majority of one, an order was made against him. The matter was taken to quarter sessions, and the Recorder stopped the case at the end of the girl's evidence. Had it not been for the generosity of his employers, who were determined that justice should be done and that a proper investigation should be made—it cost them, if I remember rightly, something like £150, not a penny of which they recovered—that boy would have been ruined for life, instead of being, as he now it, a happily married man living with his wife and family.

Let us go one step further. What is to be done in order to ensure that the appeals are *bona fide* appeals? We may put on one side altogether the enormous number of petty, non-indictable offences. I do not think anyone would seriously suggest that, if a man were fined half-a-crown for not having his name and address on his dog's collar, or something of that kind, he should be given a right of appeal to quarter sessions. This would seem to be unnecessary when we are not dealing with serious indictable offences. But what are you to do where a man who has had a fair trial says to himself: "I am going to risk getting my punishment increased." With some experience, I have never known a punishment increased at quarter sessions. I am going to put my opponent to all the trouble I can. I am not going to be a penny worse off. I propose to appeal and take the chances." What are you to do in the case of a young girl who is deliberately out for blackmail? A young girl, provided she gets additional evidence, has in the period of a year the right to go to court again and have, to put it bluntly, a second run.

Mr. LLEWELLYN-JONES: Or she can remove her residence and go to another court and obtain an order.

Mr. GOLDIE: In the case I mentioned just now, of the chauffeur, the girl could take him to quarter sessions or still further, or she could blackmail a rich man against who she has made false allegations. We ought to have some protection against that danger. I do not want to be captious, I welcome the Bill, but I think it would be a most excellent idea if a similar procedure to that which exists in connection with the court of criminal appeal was introduced.

I congratulate the hon. Member for Whitechapel (Mr. Janner) on the point that he made as to the utter futility of appeals from three magistrates in a police court to three magistrates on a county bench. In the part of England in which I practise you get a full bench on appeal. On an appeal from three magistrates you will find at Kendal 20 magistrates, at Carlisle 25, and at Preston I have seen as many as 70. You get what was intended by the Act, a proper appeal to a full body. The hon. and learned Gentleman the Member for Flint (Mr. Llewellyn-Jones) will recollect one sessions where a second court is formed and three magistrates solemnly hear an appeal from three other magistrates in a lower tribunal. It is reducing appeals to a farce. Unless you have a properly constituted bench there is something wrong. What I suggest is this. Let the court of first instance, if they care to do so, give leave to appeal. Assume for a moment, as is highly probable, that the local bench, under the able guidance of their learned clerk, say, "Most certainly not." Let the appellant have a right to insist on the magistrates' notes being sent to a committee composed of the chairman of county sessions possibly the deputy chairman and possibly the clerk of the peace, and let it be investigated there, and let there be an appeal to the chairman of the county sessions or to the recorder.

Mr. LLEWELLYN-JONES: I should like to ask the hon. and learned Gentleman how he would deal with the case of the lay chairmen of quarter sessions? Many of them are scarcely competent to deal with the matters in chambers in the way suggested.

Mr. JANNER: What would my hon. and learned Friend do in the case where the magistrates' notes are not complete, as they very rarely are, and what would be the effect of such a suggestion when the chairman of the county bench would later probably have to decide the issue between the appellant and the respondent?

Mr. GOLDIE: I should have thought that if the matter was dealt with in, let us say, the equivalent of the county council offices we should be getting nearer to it, but I agree that that is a difficulty and one which might well be considered. I am not suggesting that the recorder should try the issue at all. All he has to do is to have in front of him sufficient material to enable him to say: "This is not a blackmailing case, This is a case in which there was really grave doubt." I am convinced that the hon. and learned Gentleman is in this case performing a real public service. I only hope that some day I shall be in the happy position of being successful in the Ballot, and, if the hon. and learned Gentleman should a third time be successful, may I commend one subject to him which needs careful attention—a reform of the bastardy law. In the court below the dice are loaded against the man every time, because he does not know what case he has to meet. Under the law as it stands, the dice are loaded against the girl in the court above, if she can get there. It is because the hon. and learned Gentleman is performing such a really valuable service in seeing that justice is made level both for the man and for the woman in these cases, which are so repugnant, that I most unqualifiedly support the Bill.

1.55 p.m.

Sir REGINALD CRADDOCK: It is naturally with some hesitation that I intervene among such a community of experts as have been addressing the House this afternoon. I cannot claim to be a trained lawyer in any sense of the word, but I have had a great deal of experience, particularly with the administration and work of magistrates, both paid and honorary, in another country. I am certainly led by that experience to give my warm support to the Bill now before the House. I have been accustomed to so great a latitude of appeal that it is generally criticised as being unnecessarily wide and causing unnecessary trouble, but I have never shared that opinion myself. I have always thought that if you tried to restrict the right of appeal in any way you would certainly deprive a great many people of chances, which they ought to have and which might secure, either their being set at liberty, if they were in prison, or having their fines cancelled or reduced if they were not in prison. From what I have heard to-day, there are considerable difficulties in the way of appeal in respect of the records which are available in the appellant court. We are accustomed in India to have all the evidence taken down in longhand, generally for want of sufficient typewriters, by the magistrate himself or in the case of honorary magistrates, who work throughout the country by the clerk. But we have this at least, an unpaid judiciary or magistracy which is above suspicion. You do not here get a landowner applying to be made a magistrate in order that he "might support himself and his family."

I do not want to go into the details of the Bill, because I am not very familiar with them, but I was trained for two years as a probationer in the Indian Civil Service. I had to go round to courts in the different grades in this country and submit reports upon them to the Civil Service Commissioners, and it was a most helpful training. I also

[Sir R. Craddock.]

had seven years' experience as a magistrate of various grades in India, and, in my opinion, the question of whether a man is guilty or not guilty, of what is evidence and what is not evidence, and of the rights to be given to a man to appeal against a decision are really questions of justice which are the same no matter who the people may be, or the country in which you are administering the law. Whether they are highly civilised or backward the great principles of law and justice remain the same, and it is for that reason that I have great pleasure in supporting the Bill.

1.59 p.m.

Mr. ESSENHIGH: In rising to support the Bill, I wish to congratulate most warmly my hon. Friend the Member for Thirsk (Mr. Turton) upon introducing it, and I should like to say, as one who has practised for some years at the Junior Bar, how necessary is such a Measure. I say it not only as a practitioner, but as one who some years ago gave voluntary services to the great organisation known as the Poor Man's Lawyer. In the city of Liverpool, where the society is well organised, there are young members of the Bar and of the profession of solicitor who are seeing week after week not merely dozens, but hundreds of cases. In Liverpool and in Birkenhead the society is flourishing, and members give of their time and services in advising unfortunate people who are not able to afford to pay for legal advice. On the occasions on which I have given advice literally scores of people have come to me. They have come with a grievance and a smarting under a sense of injustice very often against courts of summary jurisdiction. We have found that, whereas in some cases there were really no grounds for complaint, in many cases there were just grounds for complaint. They had misunderstood the whole of the position and the proceedings, and felt very strange indeed in what to them were strange surroundings, many of them appearing for the first time within the precincts of a police court. They wanted to know, in most cases, what they could do; could they appeal?

In all those cases one was able to say, "You had good grounds of appeal, but you are out of time." Not only that, in the cases in which the applicants were in time they had not the money to enable them to proceed. In a good many of the courts throughout the land recognisances and deposits mostly in the region of £50 are demanded. I know of no case where the recognisance has been fixed at less than £30. How in the name of common sense can a man who may be unemployed and receiving transitional payment conjure up thirty pence, let alone £30? I heard of a case a short time ago—it was not one of my cases, but a case of a colleague of mine—of a man who had been convicted and sentenced to a month's imprisonment for an offence under the Highways Act. He was a motor driver and had been driving for 20 years with not a single thing against him. On this particular occasion, probably due to an error of judgment in the exigency of the circumstances, he did something which was wrong, and was convicted. On that conviction his licence was taken away, for I forget whether it was taken away for three months or 12 months. The man's job went, and it was only because a friend came along and found the money that he was able to appeal. The conviction was upheld, but the sentence was reduced and varied to such an extent that he was fined, the suspension of his licence was revoked, he got his licence back and he was able to carry on with his job. If there was one case like that, and one only, it is sufficient justification for this Bill.

It has been erroneously stated in the Debate that if a person appeals, the court of quarter sessions may increase his sentence. I have taken part in a few appeals at quarter sessions and I have never known a sentence to be increased. I have always argued that a sentence cannot be increased on appeal. If we look at the Summary Jurisdiction Act, 1879, Section 31 (5) we find that:

> "The Court of Appeal may adjourn the hearing of an appeal and upon the hearing thereof may confirm, reverse or modify the decision of the Court."

"Confirm or reverse." That is what the courts of quarter sessions have to do on appeal. They may say: "We are going to confirm this conviction and sentence," or "We are going to reverse this conviction or sentence," or "We are satisfied that the conviction is right," or "We think that the sentence is excessive." Modification of the sentence must surely mean a reduction of the sentence and not an increase. There is no question that that was in the mind of the Legislature at the time that the Criminal Appeal Act was passed, because Section 4 (3) of the Criminal Appeal Act, 1907, says:

> "On appeal against sentence the Court of Criminal Appeal shall, if they think that a different sentence should have been passed quash the sentence passed at the trial and pass such other sentence warranted in law by a verdict whether more or less severe in substitution therefor as they think ought to have been passed, and in any other case shall dismiss the appeal."

The Court of Criminal Appeal obtained their right to increase a sentence by virtue of the Criminal Appeal Act, 1907. I beg hon. and right hon. Members not to be dissuaded from supporting the Bill be the thought that the person who appeals may have his or her sentence increased.

Another point which has been raised and stressed in the Debate is that this Bill is a grave reflection upon the magistrates of the country. Is it? If a person is given the right of appeal without having to enter into recognisances, is that to say that it is a reflection upon those people who are doing their job extraordinarily well, and to the best of their ability? Can it be said that that is a grave reflection upon them? If so, when you give the right of appeal, or the right to apply for leave to appeal, under the Criminal Appeal Act, are you going to say that that is a grave reflection upon His Majesty's Judges? That cannot possibly be said. Therefore, I ask the Under-Secretary of State for the Home Office if he is thinking that this proposal may be regarded as a grave reflection upon the magistrates, to dismiss that idea from his mind, and I ask hon. Members to dismiss such an idea from their minds. Some lay magistrates have had legal training and some not. They have their clerk to guide them and in most cases he is an experienced solicitor of many years standing. He is the person who should guide them as to matters of law, either in the court or when they retire to their room to consider whether there shall be a conviction and, if so, what the sentence shall be. But the magistrate's clerk cannot always be there and his assistant, although he may be extraordinarily good in many matters, may have no legal qualifications, and he may retire with the magistrates and advise them on questions of law.

The hon. and learned Member for Warrington (Mr. Goldie) thought that there might be a whole lot of people wanting to appeal. The point is as to whether they should have the right and who should give them that right. The hon. and learned Member for Warrington suggested various people. If you are going to have someone to scrutinise as to whether there shall be the right of appeal and whether leave to appeal shall be given, surely one need not go further than the county court judges. Many cases that are brought before courts of summary jurisdiction are cases that require competent legal knowledge, cases such as have been spoken of by the hon. and learned Member for Warrington, bastardy cases and the like, most delicate cases, involving tremendous knowledge of the law of procedure. Surely it would not be difficult to hand these over to the county court judge to decide whether he should give leave to appeal. The question of tribunal as to whether leave to appeal should be given ought not to stand in the way of the Bill receiving a Second Reading.

I feel, and a good many Members of my profession feel, that very great injustice is done by not permitting people the right of appeal without having to deposit these large sums of money by way of security. I beg the Under-Secretary on behalf of the Government to give the Measure his blessing and to put right what is justly felt to be a grievance, not merely for the sake of those members of the community who may be unfortunate enough to find themselves within the precincts of the police court, but for the whole of the community. I ask him to put right this dreadful anomaly, in order that the community may be able to say: "We do not deny justice, and we do not delay justice." I have very great pleasure in supporting the Bill.

2.15 p.m.

The UNDER-SECRETARY of STATE for the HOME DEPARTMENT (Mr. Douglas Hacking): As a mere layman, I hesitate to intervene in this debate, which has been conducted almost solely, but most efficiently, by those who, on account of their profession, are so fitted to speak on the subject matter of this

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Bill. I must, however, intervene if only to add my congratulations to the hon. Gentleman for his good fortune in the Ballot. He reminded us that this is not the first time that he has drawn a good place in the Parliamentary sweepstake, and I can only express the hope that he is as fortunate in other forms of gambling as he is in the lottery which is authorised by the Speaker of this House. Both the Mover and the Seconder of this Bill have given a very clear exposition of its terms. They have stated quite concisely, and without any measure of exaggeration, what the Bill seeks to attain, and, as a result of what they have said, it is obvious that every Member of this House must sympathise with their desire.

The Debate has been so full, so complete, that it has left me very little to say. It is probably only necessary for me at this moment, at any rate, to do three things: first of all, to give a short recital of the history of, and suggestions contained in, this Bill; secondly, to answer the very few questions that have been asked me; and, thirdly, and most important, to give the Government's decision as to what they propose to do with the Bill itself. As far as the history is concerned, the question of appeals from courts of summary jurisdiction was debated in the House of Commons in April, 1931, on a Bill which was introduced by my hon. Friend the Member for Cambridge University (Sir J. Withers). The Government spokesman at that time was Mr. Short—no longer a Member of the House—the Under-Secretary of State for the Home Department in the Labour Government. He expressed sympathy with the objects of the Bill, but he did call attention to the difficulties to which it gave rise, and he suggested that it would be better that the whole question should be considered by a Departmental committee. The promise was made by a Member of the Labour Government, and I am sure that all the pledges which were given by that Government, if they could not, in fact, be carried out during their term of office, they would rightly expect that they should be executed, and should be honoured, by their successors. A Parliamentary promise is always sacred, except when circumstances may change. When the financial crisis became acute in the summer of 1931, there was, obviously, a change in circumstances. The Cabinet of the first National Government decided that the time was not opportune then to proceed with the proposal to appoint a Departmental committee.

The question came up again in the early summer of 1932 during the passage through Parliament of another Measure in which my hon. Friend was interested —the Children and Young Persons Act. During the Committee stage of that Bill in the House of Commons my hon. Friend moved an Amendment proposing that the requirement of recognisances should be abolished in the case of appeals on behalf of young persons under the age of 17. That matter, I understand, was brought before the Cabinet. At any rate, when the Amendment was reached, the Government spokesman, my hon. Friend, now Minister of Transport, made it quite clear that, in the opinion of the Government, it would be inappropriate to deal only with the question of appeals on behalf of persons under 17 years of age, and that in the submission of the Government it would be undesirable to deal with that question alone, but that it was certainly right that Parliament at some early stage should deal with the whole position of appeals from summary courts by persons of all ages. My hon. Friend added that the Home Secretary had intended, as soon as practicable, to set up a Departmental committee to inquire into the whole question.

Here I must make a point perfectly clear. My hon. Friend the Member for Cambridge University and others who have taken an interest in the subject under discussion, were told clearly that the appointment of the committee would be on the definite understanding that until the financial position of the country had improved, effect would not be given to any of the recommendations of the committee which might involve a considerable expenditure of public money. It is right that that should be made clear at the outset. The Committee was duly appointed in July, 1932. It had very wide terms of reference, namely,

> "to consider the law and practice relating to appeals from decisions of courts of summary jurisdiction and to recommend such amendments, if any, as may be thought desirable."

It is hoped that that Committee will report about Easter—not later. So much for the history of this subject. My hon. Friend the Member for West Leyton (Sir W. Sugden), as also did the last speaker, suggested that the Government might construe this Bill as an attack upon the magisterial benches in the country. They certainly will do nothing of the kind, for we know that the last thing the promoters themselves desire is to cast any general reflection on those who preside over our courts of summary jurisdiction. Let me make that perfectly clear. Now I come to the question of cost, which has been mentioned by so many speakers. My hon. Friend the mover of the Bill made certain calculations, and I think, as a result of those calculations, he said that this ought not to cost more than about £600 a year.

Mr. TURTON: I was referring to Clause 3.

Mr. HACKING: Well, that Clause 3 ought not to cost more than £600 a year; but I maintain, after having looked into this matter, that it is quite impossible to estimate what the cost might be. I hope that the Departmental Committee, which has not yet reported, will consider this very important aspect of cost, for in these times, however much sympathy we may have—and we all have sympathy with the provisions of this Bill—we must consider what the cost is likely to be before we give our consent to the great advance which would take place if this Bill were passed. I hope the Departmental Committee will consider carefully the question of cost and form an accurate estimate.

The hon. Member who introduced the Bill gave figures from 1930 with the intention of showing that the cost would be small. He also gave figures for 1931. In that year, from the answer which I gave him a few days ago in the House, 600,000 persons were found guilty by courts of summary jurisdiction and only 281 actually appealed. That is a small number, and if we could base the estimate upon that the additional cost would be very small. But we must remember that the whole of these 600,000 persons would be potential appellants under the Bill. It is preposterous to assume that any large number would, in fact, appeal, but you have that number who would be potential appellants, and, therefore, it is impossible even to guess how many would take advantage of the facilities of this Bill, and how many would, in fact, be granted legal aid. If there was a large number of appeals the cost would be not only the figure which has been mentioned during the Debate but the additional work which would be thrown on quarter sessions might mean an additional charge. Only experience can determine the actual cost.

Now I come to the Government's intentions. I have quoted the terms of reference to the Departmental Committee. They sound very simple; but a proper remedy for the problem is by no means free from difficulty. Some of the difficulties have been mentioned by the hon. Member for Lichfield (Mr. Lovat-Fraser) and, in fact, had there been no difficulties at all the Departmental Committee would never have been set up. It is clearly premature for the Government to come to any final conclusions until they have received and considered the Report of the Departmental Committee. They fully sympathise with the objects of the Bill, but the hon. Member for Thirsk (Mr. Turton) will not expect the Government to give him a more definite promise as to the attitude they will finally take towards these proposals. Many promises have been made during past years in connection with the subject matter of this Bill; some have been broken, and some have been kept, but as so many have been made I suppose there is no reason why I should not make one additional promise this afternoon. It is not going to be a difficult promise to keep, otherwise I should not make it. The Government promise to lose no time in giving full consideration to this matter after the Report of the Departmental Committee is forthcoming. They have no objection to the Bill receiving a Second Reading, but they hope that before it goes to Committee upstairs the Report of the Departmental Committee will be available and that they will have time to consider it.

When this Bill is in Standing Committee and in the light of the Government's decision taken upon the Report one of three things may happen. The Bill may pass without any amendment or the Bill may fit in with the Government's pro-

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posals with a few simple amendments. The third alternative, which must also be borne in mind, is that the Government's decision may differ so widely as to necessitate starting all over again. I sincerely hope that the third alternative will not materialise. By passing the Second Reading to-day no harm can be done and, in fact, great good may come if only because we shall be saving the time of the House by avoiding a full Second Reading Debate in connection with another Bill. I hope I have made the position of the Government quite clear. If after this discussion and after this qualified blessing, the House does give a Second Reading to the Bill, I am sure that the Government may claim the friendly co-operation of the promoters, hon. Members of the legal profession in this House, and other hon. Members interested in the question, in the further stages of the Bill.

2.32 p.m.

Major LLEWELLIN: Those who are anxious to see a Bill on these lines passed into law would, I think, like one further promise from the Under-Secretary of State, who we are very glad indeed to see occupying his present position. The one other promise which we should like to have from him is that the Home Office will do their best to try and get the Departmental Committee to accelerate their conclusions. Once a Bill has passed Second Reading in this House time becomes rather the essence of the matter as to whether anything more is to come of it, and I press upon the Under-Secretary the desirability of urging the Departmental Committee to come to a conclusion as soon as possible.

Mr. HACKING: Let me answer the hon. and gallant Member at once. It is not the intention of the Government to play any tricks in order to prevent the Bill getting on the Statute Book. We are only too anxious to see this grievance remedied, and we shall not certainly play fast and loose with hon. Members who are anxious to get the Bill through. I hope the Departmental Committee will get on with their work as quickly as possible so that their report may be available in time for it to be considered by the Government before the Bill actually goes upstairs to Standing Committee.

Major LLEWELLIN: I am much obliged to the Under-Secretary of State. I was not insinuating that the Government would play fast and loose in any way after the very sympathetic attitude they have adopted towards the Bill. I was certainly not suggesting that they were going to ask the Departmental Committee to take so long that they would be able to use it as an excuse. I never dreamt that they would do any such thing. All I am asking them to do is to hasten the deliberations of the Departmental Committee as much as possible consistent with getting at the real facts of the matter.

With regard to the Bill itself the one point which many hon. Members desire to see remedied is the cumbrous proposals in Section 3 of the Summary Jurisdiction Act, 1879. The worst provision of that Section is the alternative provision which, in some cases, allows the bench to demand that a prospective appellant shall deposit security before he can appeal. In one or two cases in the north of England it is the practice that not only shall a convicted defendant who wishes to appeal enter into recognisances, but he has actually to deposit a sum of money in the court before he is allowed to prosecute his appeal. That obviously makes it almost impossible for a very large number of prospective appellants even to get their appeals heard, because there are many people who cannot pay £50 into court. The bench to which I have referred insisted that it should be paid within three days. I think the time has come when that Section as a whole should be repealed.

Then the question arises, how are you going to stop frivolous appeals? I do not quite understand the suggestion made by my hon. Friend the Member for the Newton Division (Mr. Essenhigh) about the county court judge coming into these proceedings. It seems to me absurd to try to bring county court judges, who at the moment have quite enough to do, into criminal matters, and to ask them to decide, with reference to the decision of a bench, whether a man shall have a right of appeal or not. The obvious thing to do is to amend Sub-section (5) of Section 1 of the Summary Jurisdiction Act of 1879, so that the Quarter Sessions shall have exactly the same power as the Court of Criminal Appeal has under the Criminal Appeal Act. If you give that power in the case of a frivolous appeal, the appellant will know that instead of being fined perhaps 40s., he may in the higher court be fined something like £5 because he has brought a frivolous appeal. That power, although it is very seldom used by the Court of Criminal Appeal, does remain still in the background, and has a certain effect in stopping frivolous appeals. I see no reason why a similar power should not be given to courts of Quarter Sessions.

As to Clause 3 we are met with this difficulty: The appeal must go to the next practicable Quarter Sessions court and the court of Quarter Sessions is not permanently in session as the High Court is, except in the vacation. So, the only time when the appellant will be able to apply for a certificate similar to that under the Poor Prisoners Defence Act will be on the morning of Quarter Sessions, just after the court of Quarter Sessions has dealt with semi-administrative matters and is sitting as a criminal appeal court. At that moment the appellant will come and ask for legal aid. The most that he will be able to get will be enough money to pay a barrister who happens to be in court, who will then probably find the case most inadequately prepared. All that it will amount to will be the handing over out of the public purse of the small sum of £1 3s. 6d., which I presume the barrister will accept in the case of an appeal of that sort. Although it looks very well on paper it will not give a very great advantage to the man who is appealing.

With regard to that Clause of the Bill, if it were to stop the Bill going through on the ground of expense, I would willingly see it thrown away so that we may get the material part of the Bill that is included in Clause 1. The Under-Secretary said that Clause 1 might add to the cost of Quarter Sessions. I think the Bill should go through even if it does add to the cost of hearing appeals, because so long as you have some proper sanction against really frivolous appeals the courts of the country ought to be open to anybody who has an appeal, and this is not one of the economies that the country would wish to see inflicted. It is all-important that any man who is convicted should know that he has a free and unfettered course to put his case before a second tribunal. I do not think it would cost a lot of money. If it did, that would mean that a large number of people were suffering under grave injustice. I do not think there are large numbers of such cases, but I do think that there are quite enough to warrant this Bill being given a Second reading, to warrant it being supported in its essentials by the Government, and I hope that before the end of the Session it will be passed into law. I wish to congratulate my hon. Friend who introduced it on having been lucky once more in the ballot and on having introduced a Bill that I think will be of good advantage to many poor persons.

Question put, and agreed to.

Bill read a Second time, and committed to a Standing Committee.

COAL MINES (MINIMUM WAGE) ACT (1912) AMENDMENT BILL.

Order for Second Reading read.

2.45 p.m.

Mr. DAVID GRENFELL: I beg to move, "That the Bill be now read a Second time."

I wish to join whole-heartedly in the congratulations which have been given from all parts of the House to the hon. Member for Thirsk and Malton (Mr. Turton) who moved the Second Reading of the Bill previously under consideration. I congratulate him on the successful results of his advocacy. Before coming to the subject-matter of the Bill which I now submit to the House, I hope that hon. Members will permit me to approach this question of mining wages with a short sketch of the history of the industry and in particular the development of the wages system in that industry. Already this morning we have been privileged to go back a long way into the history of our legal system. I could not say what period of history was the jumping off ground in this morning's Debate but this problem of wages in the mining industry is a long story and it is necessary to go back some way in order to get the right perspective in viewing it.

Mining is one of our oldest occupations and mining contracts have formed a part of our industrial story from the earliest times. Among those mining contracts were contracts of employment

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engaging men to work in the mines under systems which varied from time to time and from place to place. We have early records of annual hirings which amounted almost to perpetual hiring. There are cases in which men were detained in the employment of one employer and denied the freedom to seek other employment or to vary the nature of their contracts. From that condition of semi-servitude, we gradually evolved more or less free conditions of employment, each stage being marked by effort, by protest, by organisation. Much of the story of that early development has been lost to the general historian but the tradition and the memories of it exist in all parts of the country.

We advanced from annual hiring periods and payment in kind to shorter periods of hiring and the payment of wages in cash, under regular terms between work-people and employers. But this was only achieved after frequent conflicts, much bad temper, dislocation of business and interruption of production. The words "lock-out" and "strike" are household words and are eloquent of the human qualities which were brought out in the course of that development—the qualities of tenacity and courage and sometimes unreasoning loyalty and obstinacy. But it also brought out the genius of our people for compromise and mutuality. All these qualities will be recognised by those who still have vivid memories of the bitter conflicts which have passed away giving place to happier conditions. Stage by stage there has been a gradual development of better conditions as the result of effort and organisation by brave men—working miners whose names are unknown to-day—and who set out to defend and to promote their own ideas of justice and to enhance the condition of the mining workers of this country.

Thus, we moved gradually towards wage agreements made area by area and the establishment of area boards. Those area boards represented an essential stage in the development because of the variety of conditions prevailing in the score of separate coalfields in this country, different geological conditions, differences in the quality of the coal, differences in accessibility to markets. All these varying conditions required local attention and local organisation in the consideration of the contracts of service and remuneration of the men. Then we led by conciliation to better organisation. In fact, it has only been by conciliation that we have reached the plane of organisation. Organisation was improved by gradual, almost imperceptible stages, until district machinery had been fairly well established in every one of the coal-mining districts, providing more or less stable employment and certainty of reward to the men employed.

In 1912 we came to a point at which the district machinery was found to be inadequate for the circumstances of the day, and the result was the first national stoppage—a strike declared by the men. Parliament was invited to legislate in order to accomplish what district boards and district settlements had failed to achieve. It is worth remarking that in that dispute there was no demand for a general increase of wages. The mine workers to the number of 1,000,000 came out, but it was not to enforce a demand for improved wages all round. It was the most altruistic, the most idealistic strike that we have known in the industrial history of this country. It was an attempt to establish a great industrial principle. The leaders of those days who were not "wild men" and not extremists, but men of vision, with a knowledge of the industry, saw that a foundation had to be provided for the super-structure of organisation which was necessary in the industry. Those men laid the foundations and, in securing the stability of the industry, they came into conflict with their fellow citizens. Parliament had to adjudicate and Parliament adjudicated in favour of the minimum wage which was a benefit to the minority of the workers in the industry—a substantial benefit to the minority at a very small cost to the industry itself.

I now turn to the Act of 1912 and the House will pardon me if I read some of its provisions. Those who are unfortunate enough—or I should say fortunate enough—not to be miners, lack precise knowledge of points which to us are very familiar and I wish the House to note what is the position to-day in order that they may understand the nature of our request. On 29th March, 1912, the Coal Mines Minimum Wage Act was passed. Section 1 provided:

"It shall be an implied term of every contract for the employment of a workman underground in a coal mine that the employer shall pay to that workman wages at not less than the minimum rate settled under this Act and applicable to that workman, unless it is certified in manner provided by the district rules that the workman is a person excluded under the district rules from the operation of this provision, or that the workman has forfeited the right to wages at the minimum rate by reason of his failure to comply with the conditions with respect to the regularity or efficiency of the work to be performed by workmen laid down by those rules; and any agreement for the payment of wages in so far as it is in contravention of this provision shall be void."

That is a new chapter of security and reasonable reward for the men in the coal industry. Section 1 continues:

> "For the purposes of this Act, the expression 'district rules' means rules made under the powers given by this Act by the joint district board."

The joint district board consists of employers and workpeople in equal numbers, presided over by an independent chairman, or by three independent chairmen if the board desires. In Section 2 that board was authorised in these words:

> "Minimum rates of wages and district rules for the purposes of this Act shall be settled separately for each of the districts named in the Schedule to this Act by a body of persons recognised by the Board of Trade as the joint district board for that district."

Then we come to Section 3, and then I shall leave this Act, because I shall have read sufficient to show where we desire changes. Section 3 reads:

> "(1) Any minimum rate of wages or district rules settled under this Act shall remain in force until varied in accordance with the provisions of this Act.
>
> (2) The joint district board of a district shall have power to vary any minimum rate of wages or district rules for the time being in force in their district."

I expect that the Secretary for Mines or some other hon. Member with a knowledge of the employers' side of the case will say: "Why do you not appeal to the district board under that power?" I shall come to that later on, and I shall explain why we do not take advantage of it. Under that Act district boards were set up, and scheduled rates of wages were determined for all the men in the several districts in this country, and while, as I declared previously, there was a considerable levelling up of the lower-paid wages, especially of the day-wage men, and a guarantee was given to piece-workers that they would get a minimum wage if abnormal conditions prevailed in the working places, the addition to the aggregate wages bill was very small indeed. We found that, those wages having been put on, in 1913, 12 months after the Act came into operation, wages in the districts stood at a very low level. The House will be surprised to find that the average annual wage of men engaged in the mining industry in 1913 was £82. Those are figures given in this House less than a fortnight ago by the Secretary for Mines.

Mr. HERBERT WILLIAMS: Cash wages?

Mr. GRENFELL: Yes.

Mr. LEVY: And that is the average?

Mr. GRENFELL: The average for every person employed. The House will be more surprised to find that the average wage paid per person per annum in 1932 did not exceed £105, the increase from 1913 to 1932 being at the rate of only 19 per cent. The cost of living is 42 per cent. Hon. Members may make the calculation for themselves, but for the moment they may accept my word that the average regular wage in the industry in 1932, at £105, is more than £11 per annum short of the amount required to maintain the standard of living in 1913.

Captain PEAKE: Can the hon. Member give the wages per shift?

Mr. GRENFELL: I am giving the wages per annum because I want to show the general position in the mining industry. The average miner last year was short by £11 of the money required to provide him with the standard of living which he had in 1913, that £11 representing a weekly sum of 4s. 6d. The men in the mining industry, in other words, were short by 4s. 6d. per week of the amount required to maintain their pre-war standard of living. The wages cost per ton in 1913 was 7s. 6.38d., and in 1932 the wages cost per ton was 8s. 11.67d., an increase here again of only 19 per cent. In the same period, while the wages per ton are up by less than 20 per cent., the average output per person has gone up from 20.32 cwt. in 1913 to 21.9 cwt. in 1932. Another

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important point in the consideration of wages and in assessing the merits of our claim is this, that the average value of the output per person per shift per day in 1913 stood at 10s. 0.13d.; in 1932 the figure was 14s. 3d. The coal miner produced a daily value of 4s. 3d. in excess of what he obtained in 1913, but the increase in the daily wage was only 1s. 5d.; that is to say, 1s. 7d. was lost to him from the additional revenue drawn by the industry. The miner produces more than ever and gets less in wages value than at any time in my lifetime or in the last 50 or 55 years.

The principles of the amendments which I wish to bring before the House can be examined at their full value by relation only to those few simple facts, and they are these: First of all, we wish to add to the minimum wage payable in the industry a percentage addition equal to the increase in the cost of living from 1914 to 1932, as ascertained and published in the Board of Trade figures from time to time. Secondly, we want to include certain people not included in the Act of 1912. The next point is that we wish the minimum wage to be an actual minimum wage, not subject to reduction. We find that in certain coalfields and in special areas in certain coalfields, after the legal minimum wage has been paid, by some unexpected interpretation of the law the employers are entitled to deduct the cost of explosives used in getting the coal, and in that way the men get less than their legal minimum wage.

The next point which we wish to amend deals with penalties, and I will read the Clause because it sounds formidable when spoken of in the abstract:

> "In the case of any failure to pay wages in accordance with the provisions of the foregoing section, an employer shall be guilty of an offence against this Act, and shall be liable on summary conviction in respect of each offence to a fine not exceeding twenty pounds and to a fine not exceeding five pounds for each day in respect of which the offence is committed after conviction therefor."

The Act of Parliament passed in 1912 was universally recognised as an Act which conferred a great benefit on the coal industry; it provided for the recognition of a minimum standard upon which all future adjustments of wages would have to be based, giving both the owners and the workpeople a direct advantage by statutory power; and yet employers could avoid the obligations under that Act, for no penalty was provided. We believe that the employer who avoids payment should be subject to a penalty so that the Act can be more effectively carried out. We wish to add a new area board to those already formulated in the Act. In the Act of 1912, 22 separate district boards were established. These cover Northumberland, Durham, Cumberland, and so on, county by county, covering the whole of the separate coal-producing areas. A new coalfield has come into existence in Kent since 1912 and that has to be provided for. We propose in this Bill that Kent should be brought in and that a district board should be formed on similar conditions to those prevailing in all other districts.

There are one or two points which I wish to put forward in argument. There is in operation all over the country something which has been added to the minimum wage, but which was not carried through the Minimum Wage Act, and not applied under the same rules of procedure. There has been superimposed upon the minimum wage of 1912 what is now known as the subsistence wage, varying considerably in amounts and in the qualifying conditions from county to county. In the county of Durham the subsistence wage is 6s. 6½d. per day; in South Wales it is 7s. for single men and 7s. 6d. for a married man with a family; in Yorkshire it is 6d. per day, but the total wage while subsistence is paid, is not to exceed 8s. 9d. a day. In other counties 6d. a day is paid with a minimum of 7s. 11d. and a maximum of 8s. 9d. These are figures for 1931. In district after district it has been found necessary to pay subsistence wages to the lowest-paid workers because the minimum rates payable under the 1912 Act do not afford a livelihood for a large number of workpeople in the industry.

The principle of a higher minimum and a lower subsistence is the purpose of the amendments, and we propose to bring in surface workmen. We have no need to argue that point because it has already been settled by districts agreements. We want the special position of the surface men to be taken into consideration, and I make a point about that here because it has not been given due prominence in previous discussions in the House. There are large numbers of specially trained surface men, such as electricians, mechanics, and artisans, who are paid the same subsistence wage as is payable to other people, so that the highly-trained artisan and the engineer are paid the same subsistence wage as the untrained labourer who may have spent only a very short time in colliery employment. There is no reward for the special skill of the craftsmen employed at the surface of the mines to-day, and we are asking that in the consideration of new schedules the relative position of the surface tradesmen in 1914 shall be taken into account, in order that they may obtain some advantage from their special knowledge and experience.

I think the Secretary for Mines has a very great opportunity and a great responsibility in this matter. We have sat here patiently while a legal subject was being discussed, and feared that we might not have even this small opportunity of putting our case, and if we do not now go into many details the Secretary for Mines knows that he has opportunities in connection with his office of ascertaining fuller particulars. We would point out, however, that this is not simply a proposal to make minor adjustments in this or that class of wages. We have a desire to do a big thing for the coal industry, and I would like him to regard this as an opportunity for a national revision of mine wages—not a national revision of minimum wages, but an attempt to get national direction of the minimum rates to be paid in each district.

This Bill is not a substitute for our demands for a National Wages Board, indeed, in many vital respects it would not be adequate for that purpose, but we believe it will go part of the way, and if we are fortunate in attaining our object we think it will also go part of the way to meet the objections of the coalowners. They take up the position that there cannot be a National Wages Board, objecting strongly to uniformity of wages throughout all the separate coalfields, and we are at a deadlock in the negotiations on that point, the owners saying the negotiations must be confined to the districts. But we are going part of the way to meet them with this Bill. While I would not commit myself or anybody associated with me to any view on the negotiations on the national wages question, I do say that here is a simple instrument to go part of the way to remove the deadlock, which is occasioning concern to the Secretary for Mines as well as everybody connected with the industry.

I want the Secretary for Mines to see that in this Bill there is an opportunity for retaining differential rates—to have as a new standard in all the districts those differential rates existing in 1914, and to add to those differential rates, which represent the economic capacity of the different districts, a uniform percentage equal to the increase in the cost of living, which has affected all districts equally. There is the beginning, perhaps, of a new idea in a national regulation of wages, and if not there is a possibility of tiding over temporarily a difficulty with which we are now face to face. I do not wish to commit myself, but I express the opinion for myself, and myself only, that if this Bill became law and the lower paid wage earners in the mining industry were levelled up to the standard which we claim for them to-day, if the coalowners and the district boards would accept national direction only to that extent, then we might find ourselves able to go along. We have every right to congratulate ourselves in the coal industry. I include hon. Gentlemen who are coalowners. We are not having from the industry what we are entitled to get at the present moment, and the coalowners are not having a fat time, but we can both stand in this House and say that we are pulling the industry through in the face of unprecedented odds, and that we are holding our own in face of the most difficult conditions. The fight is not over. We shall have to hold our own against very severe odds in the years that are to come.

If the Secretary for Mines and the coalowners will look at this Bill very carefully, without prejudice, and taking the wider national outlook, they will see that it contains the most valuable proposals in regard to the mining industry and mining wages that have appeared in this House for some time. The Government have a great responsibility. This is said to be a National Government. That pre-

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tention will be very severely tested in the years immediately ahead of us, and in no phase of our national life will the Government be more severely tested than in its handling and treatment of the coal question. It is not simply a question of wages; to-day it is, but tomorrow it will be something else. A right solution of the problem in regard to wages will free our minds, and both sides of the mining industry must work on those problems of to-morrow if we are to achieve success.

Let the House accept this as an instalment of the remedy of our immediate wage problem, so that we can go on to the capture of more power and control over the industry. That will enable us collectively and co-operatively to achieve command over the difficulties with which we are faced, and to bring the coal industry up to a higher level in the future. I have tried to sketch the story of coal mining to-day. It is an epic of men who have contributed in a small way and obscurely to the story. Let us determine that in future chapters we will write still more stirring events of the greatest of our national industries.

3.18 p.m.

Mr. PRICE: I beg to second the Motion.

I congratulate the hon. Member for Gower (Mr. D. Grenfell) on introducing a Bill which is to give relief to his colleagues in the coalfield. In doing so, my hon. Friend gave a short resumé of the industrial history of coal mining in this country. It is no exaggeration to claim that in the mining industry, all though our industrial evolution, stage by stage—and I have often wondered why—every little advantage or improvement in conditions, either in regard to labour or wages, has had to be fought for by tremendous sacrifices, in the face of the fact that that industry and the work in that industry has been the pillar and foundation upon which British prosperity and the prosperity of the Empire have been built. I do not think that my hon. Friend's picture was overpainted.

I trust that the Minister will be able to tell us, as we were told when the last Bill was before the House, that the Government, after this Bill has received a Second Reading, will give further consideration to the matter. I think that all Members will agree that this Bill is remarkably modest in its demands. It simply asks, in 1933, that men and lads, who are engaged in the most arduous and most dangerous occupation that there is, shall be added to a wage list which gives them their 1914 wages plus an allowance for the increased cost of living. Many industries, the whole Civil Service, and the municipal services, have been enjoying these conditions for years, and, in the case of an occupation so dangerous as this, we are simply asking the Government to implement legislation that will give us similar conditions.

The mining industry has been the Cinderella of our industries in this country for years, and our present minimum wage does not give to the man and the youth what is looked upon under the Poor Law as a subsistence wage. It has been agreed by a body with an independent chairman that the present arrangement does not allow of a wage that will keep body and soul together, and, accordingly, a subsistence wage of 6d. per day is added where the wage does not exceed a certain figure. My hon. Friend has quoted the figures. They are 6s. and some odd pence in Durham and in Lancashire, 7s. in Northumberland and other places, and the highest rate is something like 8s. 9d. in the South Yorkshire coalfield. I imagine that there cannot be any Members in this House who would feel justified in opposing a Measure like this, the object of which is to give to the men who follow this most arduous occupation a mere subsistence wage no higher than the 1914 standard with the addition of an allowance based on the official cost of living figure.

We are entitled to remind the Government and the Minister that the National Government has already passed mining legislation—as I said at the time, and as I say now, one-sided legislation—extending the hours of work for five years, but with no guarantee as to wages after July of this year. They have taken from the Miners' Federation, who will be the authority for bargaining in regard to future wages, the greatest weapon that they have in safeguarding the miners' interests and getting reasonable terms when negotiations have to be dealt with next July. If the National Government felt justified in extending the hours as they have done, and in giving that guarantee to coalowners for another five years as regards hours of work, surely we shall not be asking in vain if we ask the Government to allow a Second Reading to be given to a Bill which makes this modest provision for a subsistence wage for men and boys employed in this very dangerous industry.

It is most remarkable—we have seen it many times, and we have much appreciated it—how the general public, on the occasion of disasters at our collieries, will respond and make speeches throughout the country, in churches and on platforms, regarding the dangerous nature of our men's occupation, but at the same time they sit still and see the men paid these miserable wages which will hardly keep body and soul together. It is a standing disgrace to the nation as a whole that the industry should have been neglected as it has been ever since our industrial development commenced, and not yet have we had a Government which has given it that which it is entitled to receive. It is a most remarkable thing that this is about the only industry which, since the end of the War, has increased its output and lowered its wages. The output, of somewhere round about 14½ cwt. per man per day in 1920 has been increased to over a ton throughout the British coalfield, and wages have been going down year by year.

I want to add my earnest appeal to the Government to allow the Bill to have a Second Reading. It will open up the possibility of friendly negotiations between the Federation and the owners. Those negotiations have to be started. There is a splendid opportunity for the Minister of Mines, and I hope he will take advantage of it and by the end of the negotiating time I trust that the Bill will have established at least some understanding on a national basis for the controlling of our wages and the security that, when men and boys have worked in darkness for seven and a half hours, which in many cases means eight and a half or nine, they will have paid to them a fair and reasonable wage.

3.28 p.m.

Mr. SLATER: I beg to move, to leave out the word "now" and at the end of the Question to add the words "upon this day six months."

This question of a minimum wage is not so old, for many Members can vividly remember the 1912 strike. The objection to the minimum wage in the House at that time was pretty unanimous. The miners fought tenaciously for it and gained a principle which, to my mind, had great justification, but it was strongly felt that the regulation of wages in any industry was a retrograde step which could not possibly be countenanced. The opposition was to putting a definite figure in the Bill. Mr. Asquith was challenged to explain a reported utterance to some deputation that had interviewed him that, in obtaining the minimum wage, the miners had secured more or less all that they wanted and that he thought it was a principle that ought to be applied to most other industries. He denied very definitely that he had said that. As a result of that Act, the trade tenaciously hung on to the principle that the conditions of employment throughout the country were so varying that to fix a minimum wage with reference to each district would have been a great disaster.

I am rather surprised at the introduction of this particular Bill. The hon. Gentleman the Member for Gower (Mr. D. Grenfell), for whom I have very great respect, always puts his case, however good, or however bad, with a very convinced altruistic sincerity which almost compels us to say that we would very much like to do all we possibly can to help him, but to-day he has certainly not estimated the consequences of the Bill. I have done my very best to find out, and I can assure the House that it is no easy task. The task is so difficult that months of elaborate investigation would have to elapse in order to find out what would be the cost to the industry. I do not think that I should be overstating the case if I said that if the Bill became law it would add anything from £8,000,000 to £10,000,000 to the wage bill in this country. [HON. MEMBERS: "Oh!"] Hon. Members opposite may not think so, and if I am wrong,—and I have pointed out quite fairly the difficulties in making an estimate—I am certain that it would undoubtedly be such a large amount that we could not possibly afford it in the present state of the industry, which, just to refresh the minds of hon. Members of the House, I would remind them operated during the whole of last year more or less on an even keel. There were losses of 7d. and credits of 7d. during the good and

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bad parts of the year, but, at any rate, there is no fund on which anything like the amount which would be required to meet the cost of the Bill could be based.

The hon. Member for Gower, in his arguments, was very keen to retain the annual wage of the mine worker. I think he had a purpose in that and one which is not quite like him. I think he was not quite as ready to be open and frank about his case as usual. What are the real figures? An hon. Member behind me wanted to know the wages per shift. If one goes back to the evidence given before the Samuel Commission, it will be found that it is a well authenticated and established fact that the average wage in 1913-14 was a figure of 6s. 5¾d. per shift for the whole country and for all classes of workers. What is the figure for the last year? It has been varying in the quarters between 8s. 11d. and 9s. 2d. It is rather a peculiar thing that hon. Members are asking the House to give consideration to a Bill the ostensible purpose of which is to correlate the reward for services in industry with the cost of living when the particular percentage increase in wages between 1914 and 1933 is almost except for a very small decimal point equal to the cost of living to-day.

Mr. D. GRENFELL: Does the hon. Member realise that he is raising an obstacle against his own case? How can he show that the Bill would cost the industry £8,000,000 or £10,000,000 per annum if he succeeds in showing that the wages now being paid are high enough to compensate for the percentage addition to the cost of living?

Mr. SLATER: I will deal with that point later. The point is, that the actual increase is 40.2 per cent., last month, February, the index of the cost of living was 41 per cent. Those are the actual rewards for service in the industry. What is the actual increase in the selling price of coal between pre-war and to-day? The funds on which wages and the maintenance of this great industry depend are realised proceeds. We cannot get away from that. I have looked up the figures of 1914 and the best figures that I can get—the Government returns were not quite so full in 1914 in their calculations of what the realised proceeds were—I would not use the figures unless they are sound—show that 11s. per ton was roughly the average selling price in 1914, whereas the average selling price was 13s. 10d. for last year. The increased selling price was 27.3 and 40.2 was the increase in wages. Hon. Members must be fair to the industry. Where is the money to come from? I could make suggestions which might be outside permissible Debate on the Bill. There are many ways in which the reward for services could be increased, but this Bill is not the way by putting a tariff on the workers in the industry in the way suggested, by trying to correlate the rewards of service with the cost of living. It is not in that way that they would get higher wages for the men.

I feel, as I have said, that it would be outside the debate to give all my views on how we could increase the benefit for the workers, but if you look through the results of all the three quarters, or you may take the fourth quarter—I do not want to rule out the fourth quarter of 1932, because it has two important factors in it, which, I think, will give encouragement to hon. Members opposite in some respect and perhaps discouragement in others—the results bear out what I have said. I feel to-day that the situation in the coal trade requires very delicate handling. The plea put forward by the hon. Member for Gower and the hon. Member for Hemsworth (Mr. Price) that the coalowners of this country should get together on this great question of wages at the earliest possible time, is an appeal, quite apart from my Amendment to-day, to which I heartily subscribe.

I would go as far as to say that I think a great tactical error was made by His Majesty's Government when they gave the coalowners five years' renewal of the Act and did not compel them to make a five year's bargain with the men. I think the coalowners also missed a great opportunity, for if one looks at the cost of living to-day and the reward for service, and if we correlate that with every expression of opinion on the front bench by the Chancellor and the Prime Minister that the reward for primary production must be increased if there is to be any way out of the difficulty, it was no great risk for the coalowners to have taken. And I have this experience in running large undertakings that every concession in wages of recent times has shown this lamentable fact, which I regret, that every concession given by the men in wages has been given away very quickly in the selling price of coal.

His Majesty's Government should bring all pressure possible on the Mining Association, but that association is made up of districts whose allegiance to the association is largely ruled by, "Does it suit me or not?" and to expect them to come to some uniform decision on this question, after my own experience, and, I think, after the experience of a number of hon. Members, is not an easy task. It complicates the task of the Minister of Mines to such a great degree that if there is any Minister in His Majesty's Government dealing with a specific industry who needs sympathy, it is the Minister of Mines in dealing with the Mining Association. I know that there are coalowners in this country who might not like me for saying it, but there are a great many coalowners who hold my view, and in my own district, North Staffordshire, when the last settlement was made, we took an opportunity of making a three-years agreement with our men. I mention that to show that my fellow coalowners in North Staffordshire recognise that there are great benefits to the industry in coming to a long-term agreement with the men. We practice what we preach.

We want the co-operation of hon. Members opposite to bring about better conditions in this great industry. Many fears are growing, which I shall not elaborate to-day, regarding the whole structure of this industry, fears which increase every day. I am speaking for myself and as a coalowner, but I know that I am also speaking for the vast mass of the coalowners of the country. We do desire peace in the industry. We desire that this House shall cease to interfere with the industry, but when questions are brought to this House we must meet whatever is advanced with reason and common sense. I feel that to-day we are not doing that on the question of wages. We are not meeting around a table discussing the question. We ought to be doing so. The coal industry, as a whole, has in it the power to be of such importance in any revival of the iron and steel industry, and shipbuilding and engineering, that everything we can do to bring about a more prosperous condition is vital in the interests of the nation as a whole.

I was discussing this question the other day with certain people who said that the question of getting down the cost of coal was vital. If we get down the price of coal by way of less wages then I do not think it is a good policy. I do not think it is necessary. I believe that there is power in this great industry to give greatly increased rewards for service, but I want hon. Members opposite to recognise this fact—it is much better that we should look facts in the face. If the industry is to have a competitive position it must, in addition to giving the highest reward for services, produce the cheapest possible coal. The two things are wrapped up together. I feel that conditions are so developing that we are getting nearer to a point when great issues will have to be bluntly faced. Can the industry, working on a quota, and working at an inefficient point of production, produce the goods?

Is it not a question that we have to face honestly and sincerely if we are to give regular work to the men, a full week's work with an adequate wage at the week-end? What a miner takes home at the week-end is the thing of cardinal importance. Are we to produce coal in a highly efficient way with reasonable full-time working and with another 100,000 men out of the industry, or are we to contine in an inefficient way? My decision comes right down on the side of efficiency in the true interests of the industry. I want to see as much regular work as possible. But do not let hon. Members cavil if we put forward this plea. Hon. Members opposite give us a great deal of help. If their true desire is to increase the daily reward for services they must face the facts.

I say with profound conviction that this Bill is an instrument which, if put into operation, will be almost impracticable. If it ever sees the light of day it would put a load on the industry without the corresponding possibility of fulfilling the results expected. Instead of doing what it is honestly meant to do, that is to assure a higher reward for service in the industry, the Bill would have the exact opposite effect. It would bring about such distress, and in different parts of the country would create such disaster, that hon. Members would want to run away from their own handiwork, and very quickly. I therefore ask the hon. Member for Gower not to press the Second Reading of the Bill. I want him to rest assured that we on this side of the House, and I as a coalowner, will help him afterwards to obtain the highest possible wages in the industry. That is not lip service. I believe in high wages and can prove that I do so. In my own collieries, new collieries, fully equipped and working regularly, in one day a man can make as much as 16s. and perhaps not work more than 5½ hours, although 7½ hours are permissible. That is because he can work much more quickly. A man in an older type of pit has often to work very hard for perhaps 10s.

That is the crux of the matter. By co-operation and with the assistance of the Government we may bring the coal owners of this country to recognise that there is a spirit which I am delighted to see in the Miners' Federation, and that it might be used. The miners have a wonderful leader, to whom I pay a tribute. He sensibly desires to work with the owners, and he should not be turned down. We should take advantage of that spirit. I say to hon. Members opposite that we will fight with them, fight with the coalowners of the country to recognise that new spirit, and we shall press the Government, with all the power we possess, to bring about a happier condition of affairs by discussion at the earliest possible moment. For that reason I believe I am justified, in the true interests of the industry, in moving that the Bill be read a Second time on this day six months.

3.56 p.m.

Mr. H. WILLIAMS: I beg to second the Amendment.

I am afraid that in the 4½ minutes left to me there is not much opportunity of discussing the general principles of the Bill. In 1912 I went on a deputation with some coalminers to our Member of Parliament and asked him to vote against the Bill of that year. I was a consistent opponent of that Measure, and in 1914 I wrote a monograph on its results. It is perfectly obvious that the Act of 1912 entirely failed in bringing peace to the industry. The hon. Member for Hemsworth (Mr. Price) said that the industry had been neglected by all Governments. The plain truth of the matter is that the industry has been nearly legislated to destruction. If it had been left alone, if the industry had been a little less self-conscious, if the employers and workpeople in it only understood that there was a world outside their own, things might have been better, but the isolation of the miners in their own districts, and the mental isolation of a great many of the employers created in the industry an outlook which, I think, has been rather unfortunate. I wish to challenge the arithmetic of the hon. Member for Gower (Mr. D. Grenfell). He told us that the average annual earnings in 1913 were £82 and in 1932 he said they were either £105 or £109—I am not sure which, but whatever he said the figure is £109.

Mr. D. GRENFELL: I make the correction now. The difference should be £28 and not £19.

Mr. WILLIAMS: The figure is £109 and the difference is not 28 per cent. but 33 per cent.

Mr. GRENFELL: The figures given by the Secretary for Mines was £109 estimated, and the difference is between £82 and £109.

Mr. WILLIAMS: I understand that the correct figure is £109 and that the difference is 33 per cent., which I think rather upsets the hon. Member's original thesis. There was some difference between the hon. Gentleman and the hon. Member for Eastbourne (Mr. Slater)—who made such an admirable speech—as to the estimate. It may be that the average earnings per shift have increased almost precisely by the increase in the cost of living. It may be that the two increases have been absolutely in line, but a large number of people are receiving earnings either above or below the average and in all probability the Bill would only affect those below the average. Therefore you might well have a large increase of the charge even though the present earnings show an increase over pre-War earnings equal to the increase in the cost of living.

Mr. GRENFELL: But if it is to apply to the whole——

Mr. WILLIAMS: Surely if you have two people working, one getting 5s. and the other 15s., the average is 10s. If you decide to have a minimum of 10s. then the man who is getting 5s. goes up to

10s. but the man who was already getting 15s. gets no increase. But the total wage paid is increased by 5s., or 25 per cent.

Mr. GRENFELL: The hon. Member ought to examine his own figures and work out the problem correctly.

Mr. WILLIAMS: I am trying to show that the general average earnings may have gone up according to the increase in the cost of living but that nevertheless the application of this Bill would cause a substantial increase of the burden——

Mr. GRENFELL *rose in his place, and claimed to move* "That the Question be now put," *but* Mr. SPEAKER *withheld his assent, and declined then to put that Question.*

Mr. LEVY: I hope that the House will decline to give a Second Reading to the Bill because it will impose an extra and unfair burden——

Mr. MAXTON: Why does not the hon. Member face a Vote on it?

Mr. LEVY: I am entitled to discuss the Bill—[HON. MEMBERS: "Let us have a vote on it."]—and I wish to point out——

It being Four of the Clock, the Debate stood adjourned.

The remaining Orders were read, and postponed.

Whereupon Mr. SPEAKER *adjourned the House without Question put, pursuant to Standing Order No.* 3.

Adjourned at One Minute after Four o'Clock until Monday next, 6th March.

HOUSE OF COMMONS.

Monday, 6th March, 1933.

The House met at a Quarter before Three of the Clock, Mr. SPEAKER *in the Chair.*

PRIVATE BUSINESS.

MINISTRY OF HEALTH PROVISIONAL ORDER (SHEFFIELD) BILL,

"to confirm a Provisional Order of the Minister of Health relating to the city of Sheffield," presented by Sir Hilton Young; read the First time; and referred to the Examiners of Petitions for Private Bills, and to be printed. [Bill 66.]

ORAL ANSWERS TO QUESTIONS.

INDIA.

VICEROY (MOSLEM ADVISER).

1. **Sir NAIRNE STEWART SANDEMAN** asked the Secretary of State for India whether he will consider the appointment of a Moslem adviser to the Viceroy?

The SECRETARY of STATE for INDIA (Sir Samuel Hoare): The Governor-General already has a Moslem member of his Executive Council.

CONCESSION PASSAGES.

2. **Commander MARSDEN** asked the Secretary of State for India whether he is now in a position to state the amount of expenditure incurred in concession passages between India and the United Kingdom for the 12 months ended 30th September last; and how much of the total amount was used for passages in ships flying the British flag?

Sir S. HOARE: £405,739, of which £352,953 was used for passages in ships flying the British flag.

Sir WILLIAM DAVISON: Can my right hon. Friend now say what reply has been received from our Ambassador in Rome to the inquiries made of him regarding the prohibition against Italian officials travelling by British ships and the compelling of them to travel in Italian bottoms?

Sir S. HOARE: That question should be addressed to my right hon. Friend the Secretary of State for Foreign Affairs.

Mr. RHYS DAVIES: Can the right hon. Gentleman say whether the proportion is increasing in our favour or is against us?

Sir S. HOARE: No, Sir, not without notice.

Mr. HALES: Is the right hon. Gentleman aware that British steamship lines have now reduced their fares to the same level as those of Continental lines and thus removed the chief objection to travel by British ships?

MEDICAL COUNCIL BILL.

9. **Mr. R. DAVIES** asked the Secretary of State for India what action the Government of India propose to take in response to the representations from the Indian Medical Association with regard to the exclusion of Indian medical licentiates from the provisions of the Medical Council Bill?

Sir S. HOARE: I have not heard what action the Government of India propose to take. As the hon. Member is no doubt aware, the Indian Medical Council Bill has been referred to a Select Committee of the Legislative Assembly.

LABOUR CONDITIONS.

10. **Mr. R. DAVIES** asked the Secretary of State for India whether he will state the nature of the legislative proposals of the Government of India to carry out the recommendations of the Royal Commission on Indian Labour relating to the control of deductions from the wages of Indian workers?

Sir S. HOARE: I am sending the hon. Member a copy of the Bill.

CONSTITUTIONAL PROPOSALS.

18. **Mr. LEVY** asked the Secretary of State for India when the Joint Committee on the Indian Constitution will be set up and when the Bill is likely to be introduced?

Sir S. HOARE: I hope that Parliament will authorise the setting up of the Joint Select Committee before Easter. The date on which a Bill can be introduced must depend on the work of the Committee.

22. **Major-General Sir ALFRED KNOX** asked the Secretary of State for India what reply he has sent to the appeal sent to him on behalf of the 30,000,000 Moslems of the Punjab, the North-West Frontier Province, Kashmir, Sindh, and Beluchistan, setting forth their fears of Hindu domination in an all-India federation, and asking for a separate federation of these five northern units; and whether, in view of the representations contained in this appeal, he will say what further safeguards he proposes for minority communities in India?

Sir S. HOARE: I have seen copies of a printed circular, distributed from an address at Cambridge, bearing the names of four gentlemen who claim to speak for 30,000,000 of their fellow Moslems. As I am in constant communication with many representative Moslems, it did not seem to me necessary to take any special action in connection with this letter. As regards the last part of the question, I must ask my hon. and gallant Friend to await the Government's proposals.

15. **Mr. McENTEE** (*for* **Mr. DAVID GRENFELL**) asked the Secretary of State for India what steps the Government of India and His Majesty's Government have under consideration with a view to the unification of Ceylon with the future federal Government of India?

Sir S. HOARE: No such steps are under consideration.

Mr. LEWIS: Can the right hon. Gentleman say whether the inhabitants of Ceylon have expressed any desire to come into the federation?

Sir S. HOARE: That is a question which should be addressed to the Secretary of State for the Colonies.

POLICE.

21. **Sir A. KNOX** asked the Secretary of State for India whether, in view of the announcement of his decision to hand over the Indian police to responsible Ministers in the provinces, he will state what safeguards he proposes to ensure the future efficiency of this force?

Sir S. HOARE: I must ask my hon. and gallant Friend to await the Government's proposals which are shortly to be published.

Sir A. KNOX: Will the right hon. Gentleman state whether British police officers will be placed under a responsible Minister?

Sir S. HOARE: I have just told my hon. and gallant Friend that he must await the Government's proposal.

Mr. CHARLES WILLIAMS: Can the right hon. Gentleman tell us when they will publish these proposals?

Sir S. HOARE: If my hon. Friend had listened to an answer I gave two minutes ago, he would have heard me say that I hope the Joint Select Committee will be set up before Easter.

Mr. WILLIAMS: But may I hope for a definite date?

Sir S. HOARE: Certainly.

MEERUT CONSPIRACY TRIAL (APPEALS).

23. **Colonel WEDGWOOD** asked the Secretary of State for India whether the appeal against the sentence imposed upon the Meerut prisoners has been lodged by them or on their behalf; and are they undergoing hard labour until the date of the hearing of the appeal?

Sir S. HOARE: Two prisoners up to the present have actually filed appeals. I am informed that all the prisoners are being employed on light labour, which is of a merely nominal character, in order to facilitate the preparation of appeals.

28. **Mr. MORGAN JONES** asked the Secretary of State for India when it is expected that the appeals in the Meerut conspiracy case will be heard by the high court at Allahabad; and whether he will take steps to see that the hearing of the appeals is expedited?

Sir S. HOARE: The Government of India inform me that the High Court is not likely to be able to hear appeals in this case before the vacation, which covers May and June. The High Court is, however, being asked to fix as early a date as possible after the vacation.

PROHIBITED MEETING, ALLAHABAD.

26. **Mr. T. WILLIAMS** asked the Secretary of State for India if he is aware of the action of the authorities at Allaha-

[Mr. Williams.]
bad in prohibiting a commemoration meeting which was to have been presided over by Sir Tej Bahadur Sapru, one of the Round Table Conference delegates; is he aware that the meeting was being organised by non-Congressmen; and will he state the reason for prohibition?

Sir S. HOARE: The meeting was prohibited because it was proposed to hold it in Parshotamdas Park within the civil lines where previous similar gatherings had caused obstruction and annoyance to persons lawfully employed. The organisers, who included several members of Congress were informed that there would be no objection to a meeting anywhere outside the civil lines.

Mr. WILLIAMS: Is the right hon. Gentleman not aware that of the nine persons charged with the responsibility of organising the meeting there were only two who were members of the Congress and that the meeting had no connection whatsoever with Congress; and, as one of the Round Table delegates was to preside over the meeting, does the right hon. Gentleman think it was justifiable to stop it?

Sir S. HOARE: I am not aware of the facts just stated by the hon. Member. The meeting was prohibited for one reason and for one reason only, namely, that at this particular place, in the centre of the civil lines, it would have led to obstruction and trouble. There was no reason why the meeting should not have been held outside the city.

Mr. WILLIAMS: As Sir Tej Bahadur Sapru was a thoroughly capable and desirable delegate to the Round Table Conference, will the right hon. Gentleman consider whether any such meeting presided over by him should have been prohibited in the special area referred to?

Sir S. HOARE: Sir Tej Bahadur Sapru was one of the most useful and valued members of the conference, and we shall be glad to hear him make a speech at any time. In this case the prohibition had nothing to do with him, but simply with the place of meeting. The meeting was to be in the centre of the town, and it would have led to obstruction, and possibly to trouble, and that was the sole reason why it was prohibited.

COLLECTIVE FINES, CHITTAGONG AND MIDNAPORE.

27. **Mr. MORGAN JONES** asked the Secretary of State for India what is the total amount received in respect of collective fines imposed on Chittagong and certain Midnapore villages; and for what purpose the amount so received has been allocated?

Sir S. HOARE: I have no later figure for the amount collected in the Chittagong area than that given in reply to the question asked by the hon. Member for South-East Leeds (Major Milner) on the 13th February, but the latest reports received by me state that collection is proceeding slowly but steadily. In the Midnapore district fines amounting to Rs.4,720 were imposed between August and November of last year but I have no information as to the amount that has been collected. These fines would ordinarily be credited to the general revenue of the province, but there is power to award compensation from them to persons injured in person or property as the result of the unlawful acts leading to the imposition of the fine.

Mr. JONES: Does the right hon. Gentleman not consider that the time has come to arrest the exaction of these fines from a community large numbers of whom are entirely innocent of any wrong doing at all?

Sir S. HOARE: There is a very obvious way in which the process of the fines can be arrested, and that is for the civil population to help us to arrest the terrorists.

Mr. JONES: Is there any reason to suppose that these innocent people have any more knowledge as to the whereabouts of the terrorists than the right hon. Gentleman's own officers?

Sir S. HOARE: Yes, I am afraid that we do think that among the civil population there are certain people who do know a great deal about the terrorists.

Mr. JONES: If the right hon. Gentleman knows who are concealing these offenders, why does he not deal with them?

Sir S. HOARE: I have great faith in the Governor of the province, Sir John Anderson; his experience in these matters is unrivalled; and I am prepared to leave the operation of this process in his hands.

Civil Aviation.

3. **Mr. PRICE** asked the Secretary of State for India what steps the Government of India propose to take for the purpose of encouraging the development of civil aviation in India?

Sir S. HOARE: I would refer the hon. Member to the report on the Progress of Civil Aviation in India for 1931-32, of which I am placing a copy in the Library.

Broadcasting.

4. **Mr. PRICE** asked the Secretary of State for India what is the number of licences at present in existence in India for wireless receiving sets; and what steps the Government of India propose to take with a view to the development of broadcasting in India and to the prohibition of piracy in connection with the broadcasting service?

Sir S. HOARE: As regards the first part of the question I have no information. As regards the second part the Government of India, with a view to the prevention of piracy, have introduced in the Legislative Assembly a Bill prohibiting the possession without licence of wireless apparatus.

Trade Commissionerships.

7. **Mr. PARKINSON** (*for* **Mr. DAVID ADAMS**) asked the Secretary of State for India whether, in order to provide increased opportunities for Indian trade, the Government of India will consider making further appointments to trade commissionerships in Europe and elsewhere?

Sir S. HOARE: I understand that for reasons of economy the Government of India do not propose at present to appoint any more trade commissioners.

Assisted Emigration Scheme (Repatriations).

8. **Mr. PARKINSON** (*for* **Mr. D. ADAMS**) asked the Secretary of State for India what is the total number of Indians who have been repatriated from the Union of South Africa during the year 1932; and whether they have been provided for under the assisted emigration scheme?

Sir S. HOARE: The complete figures for 1932 are not yet available, but in the first eight months the number repatriated under the assisted emigration scheme was about 1,400.

Cotton and Sugar-cane.

12. **Mr. GORDON MACDONALD** asked the Secretary of State for India the nature of the inquiry now under consideration by the Government of India with regard to the cost of cultivation of cotton and sugar-cane and their rotation crops?

Sir S. HOARE: I have no information.

16. **Mr. McENTEE** (*for* **Mr. D. GRENFELL**) asked the Secretary of State for India what measures are now under consideration by the Government of India for increasing the consumption in Great Britain of long-staple Indian cotton, having regard to the Indo-British trade agreement concluded at the Ottawa Conference?

Sir S. HOARE: I understand that the Indian Central Cotton Committee proposes to organise demonstration tests in Lancashire. I have no other information.

Berar.

13. **Mr. G. MACDONALD** asked the Secretary of State for India whether he is aware of the resolution passed by the Legislative Council of the Central Provinces in January of this year demanding the creation of Berar as a separate province with full financial and legislative authority; whether the matter is receiving the attention of the Government of India; and what action it is proposed to take?

Sir S. HOARE: The question of the arrangements to be made in respect of Berar under a Federal Constitution is under consideration, and I am not in a position to make any statement on the matter.

Land Mortgage Banks (Loans).

14. **Mr. G. MACDONALD** asked the Secretary of State for India what action the Government of India propose to take with a view to putting into effect the recommendation of the Central Banking Inquiry Committee for the establishment of joint stock land-mortgage banks to provide long-term loans?

Sir S. HOARE: I have not yet received from the Government of India any recommendation on this subject.

Naval Service (Indians).

17. **Mr. McENTEE** (*for* **Mr. D. GRENFELL**) asked the Secretary of State for

[Mr. McEntee.]

India whether His Majesty's Government, in their arrangements for the naval security of Indians coasts, Indian ports, and Indian sea-borne trade, will consider the advisability, in consultation with the Government of India, of admitting Indians to the Indian naval service?

Sir S. HOARE: Indians are already admitted to the Royal Indian Marine.

BURMA.

19. **Mr. EDWARD WILLIAMS** (*for* **Mr. GEORGE HALL**) asked the Secretary of State for India whether the future of Burma will be dealt with in the White Paper to be issued before Easter; and whether His Majesty's Government have yet arrived at any decision on the separation or federation question as regards this province?

Sir S. HOARE: The decision between separation from India and inclusion in the proposed Indian Federation still rests with the people of Burma, whose representatives in the Legislative Council have as yet given no clear indication of their choice between the two alternatives which alone are open. The White Paper on Indian Reforms will not therefore deal specifically with the case of Burma.

20. **Mr. WILLIAMS** (*for* **Mr. HALL**) asked the Secretary of State for India whether it is the intention of His Majesty's Government to convene another Burma Round Table Conference for the further consideration of the question of the separation of Burma from India; and, if so, when it is proposed that the Conference shall meet?

Sir S. HOARE: No, Sir. His Majesty's Government are not of opinion that any useful purpose would be served by a Conference to discuss this question.

PUNJAB LAND ALIENATION ACT.

24. **Major MILNER** asked the Secretary of State for India if he will give an assurance that the operations of the Punjab Land Alienation Act will not be extended to the Province of Delhi in view of the hardships which it entails?

Sir S. HOARE: The matter is not one in which I should wish to interfere with the discretion of the authorities in India.

Major MILNER: Can the right hon. Gentleman say whether this matter has been considered by the Government of India?

Sir S. HOARE: I think I had better have notice of that question. I am not quite sure.

TRADE AND COMMERCE.

FILM INDUSTRY (INDIA).

11. **Mr. R. DAVIES** asked the Secretary of State for India whether in view of the representations made to the Government of India for the removal of the import duty on raw cinema films in India, he will say what steps they propose to take for the encouragement of the Indian film industry?

Sir S. HOARE: As a consequence of the Ottawa Agreement, the Indian import duty on United Kingdom raw films has been reduced to 15 per cent., that on other raw films remaining at 25 per cent. The Government of India have also abolished a Customs concession which was until recently accorded to films printed abroad from Indian negatives.

Mr. DAVIES: Is it not true that, in spite of the Ottawa Agreements, there is a 15 per cent. customs duty against this country?

Sir S. HOARE: The hon. Member will see that in consequence of the Ottawa Agreements the duty has been reduced to 15 per cent.

Mr. DAVIES: It is still the fact, therefore, that there is a 15 per cent. duty against us in India in spite of the Ottawa Agreements?

Sir S. HOARE: The hon. Member really puts a wrong construction on my answer. My answer goes to show that the duty has been reduced, and that the British preference is greater now than it was before the Ottawa Agreements.

BRITISH INDUSTRIES FAIR.

49. **Mr. McENTEE** asked the Secretary to the Overseas Trade Department if he can give the House any information as to the results of the British Industries Fair in London and Birmingham; the number of visitors to each section, buyers, and general public; the approximate value of orders placed, together with the figures of the particular industries represented; and the number of new industries or firms showing for the first time?

50. **Mr. SUTCLIFFE** asked the Secretary to the Overseas Trade Department the approximate amount of business transacted in the textile section of the British Industries Fair this year, and how this compares with the amount transacted last year?

Lieut.-Colonel COLVILLE (Secretary, Overseas Trade Department): The results of the British Industries Fair have been most satisfactory. In the majority of trades business is reported to have been secured on a scale comparable with that of the 1932 Fair which was regarded as the most successful of the series.

The total attendances of visitors at the London Section were:

Overseas buyers	9,742
Home buyers	126,033
General public	33,622

The total attendances at the Birmingham Section were:

Overseas and Home Trade Buyers	100,773
General Public	11,855

It has never been considered practicable to insist on a return from exhibitors of the value of all orders taken at the Fair, as such a picture would be misleading, since an important function of the Fair is to encourage inquiries which are followed up by subsequent orders, and I am informed that many exhibitors are particularly pleased with the new contacts made. I am satisfied that the business done in all sections has been on a scale that cannot fail to be of great benefit to the country. 412 firms exhibited in the London Section for the first time and 184 at Birmingham.

Mr. McENTEE: Can the hon. and gallant Gentleman say how the figures that he has just read out compare with the figures for the previous year?

Lieut.-Colonel COLVILLE: The figures are not all strictly comparable, because certain administrative changes have been made this year with regard to entry which affected the number of home buyers. The numbers of foreign buyers were practically the same. The number of home buyers showed a decrease, for the reason I have mentioned; but the general opinion is that the volume of buying has not been affected by these administrative changes.

Mr. HANNON: So far as the exhibition of heavy trades at the Birmingham Fair is concerned, is there not universal satisfaction at the increase of foreign buyers, and the prospect of orders to come, on the part of the exhibitors there?

Lieut.-Colonel COLVILLE: Yes, Sir, that has been expressed.

Sir ARTHUR MICHAEL SAMUEL: Is my hon. and gallant Friend satisfied that the charge of an entrance fee of 2s. has not done any harm, and is it intended that the same policy shall be pursued in the future?

Lieut.-Colonel COLVILLE: It is early to say yet, but my opinion is that it has not done any harm; and, furthermore, it makes the Fair now entirely self-supporting, without any assistance being required from public funds.

RUSSIA.

51. **Sir ASSHETON POWNALL** asked the Secretary to the Overseas Trade Department whether it is intended this spring to publish a report from our commercial counsellor at Moscow on similar lines to that issued as Command Paper 3904, in May, 1931?

Lieut.-Colonel COLVILLE: Numerous changes in the structure of Soviet trading organizations have taken and are taking place. A record of these is being kept and is available for consultation by those who are interested. As soon as practicable, arrangements will be made for publishing the revised information.

SHIPPING INDUSTRY (OBSOLETE TONNAGE).

82. **Lieut.-Colonel MOORE** asked the President of the Board of Trade whether he has any information to show what is the aggregate tonnage of foreign shipping at present in existence which was previously owned by British firms and sold at second-hand to foreign owners?

The PARLIAMENTARY SECRETARY to the BOARD of TRADE (Dr. Burgin): I regret that the information desired by my hon. and gallant Friend is not available.

Lieut.-Colonel MOORE: Will my hon. Friend request his right hon. Friend to use his influence to ensure that when our shipping is broken up it shall not be sold to foreign countries who have no Board of Trade regulations similar to ours and are, therefore, able to compete with our shipping very unfairly?

Dr. BURGIN: I think that the whole question of what to do with obsolete tonnage is constantly under consideration by my right hon. Friend.

COTTON INDUSTRY (JAPANESE COMPETITION).

80. **Mr. HAMMERSLEY** (*for* **Mr. CHORLTON**) asked the President of the Board of Trade what action he proposes to take with reference to the large increase in the imports of cotton textile and rayon goods into the countries of the Empire which seriously affect employment in Lancashire?

Lieut.-Colonel COLVILLE: I assume that my hon. Friend has in mind the question of Japanese competition, which is now under consideration by His Majesty's Government. I cannot at present add to the statements recently made on this subject.

ARGENTINA RAILWAYS (BRITISH CAPITAL).

29. **Rear-Admiral SUETER** asked the Secretary of State for Foreign Affairs at what stage His Majesty's Government proposes to intervene to obtain from the Argentine national and provincial authorities the overdue unpaid debts for railway services owing to railways in the Argentine operating with British capital, in view of the fact that the amounts are large and that British investors are suffering hardship by the non-receipt of moneys due?

The SECRETARY of STATE for FOREIGN AFFAIRS (Sir John Simon): The negotiations regarding the state of the account current, to which I referred in my answer to my hon. Friend the Member for Fulham, West (Sir C. Cobb) on the 20th February, are proceeding in a satisfactory manner between the railway companies and the authorities concerned, and no request has therefore been made by the railway companies for the intervention of His Majesty's Government, who will consider further developments as they occur.

RUSSIA (DIPLOMATIC PRIVILEGES).

31. **Captain CAZALET** asked the Secretary of State for Foreign Affairs whether he can give the House any information as regards recent negotiations between His Majesty's Government and the Soviet Government of Russia as regards the rights and privileges of diplomatic representatives to import into Russia articles for their own personal use?

Sir J. SIMON: The question is still under discussion with the Soviet Government, and I am not without hope that a satisfactory settlement may be reached. I am circulating a fuller reply in the OFFICIAL REPORT.

Captain CAZALET: May I ask whether the Government of the Soviet has in the past made any different treatment from that accorded by other Governments to Members of His Majesty's Diplomatic Corps?

Sir J. SIMON: I cannot answer that question without notice, but the matter which we are now discussing with the Soviet Government represents a new departure upon which we have made strong representations.

Mr. LANSBURY: When the right hon. Gentleman circulates his statement will he also, in that statement, tell the House whether the British representatives are being treated differently from others and whether any other diplomats in Moscow have made any complaints?

Sir J. SIMON: Yes, Sir, I think the statement will cover that.

Sir A. KNOX: Will the Government extend the same treatment as regards rationing to Soviet representatives in London as they extend to our people in Moscow?

Following is the reply:

On the 24th of October last the Soviet Authorities issued an order to the effect that foreign diplomats in Moscow would not, in the future, be permitted to purchase foodstuffs and other necessities of daily life at the State shop for roubles, but only for foreign currency; and an intimation was subsequently given to His Majesty's Ambassador at Moscow that the privilege of free importation of such foodstuffs and necessities, previously enjoyed by them, might be withdrawn. These facts, coupled with the growing difficulty of obtaining provisions in the so-called "open" market, aroused grave concern among the diplomatic body in

Moscow; and I accordingly caused representations to be made to the Soviet Government by His Majesty's Ambassador at Moscow.

A somewhat similar situation has also arisen in connection with the purchase of railway tickets in the Soviet Union, instructions having been issued by "Intourist," the Soviet travel organisation for foreign nationals, that in future all their tickets must be paid for in foreign currency. Representations by the Doyen of the diplomatic body have produced an assurance that diplomatists, consuls and diplomatic couriers will continue to receive tickets and sleeping car berths in exchange for roubles for all journeys in the Soviet Union or to any place in the countries bordering the Union and in Germany, Austria and Czechoslovakia; but the continuance of similar facilities has not yet been assured in the case of journeys to this country.

Representations have accordingly been made by His Majesty's Ambassador at Moscow in these and in other matters of principle affecting the position of His Majesty's Representatives in the Soviet Union and of their staffs; and the Soviet Government have been informed that His Majesty's Government in the United Kingdom are not prepared to agree that those representatives shall receive treatment which is not in accordance with international custom or courtesy.

BELGIAN SETTLEMENT, 1839.

32. **Sir FRANK SANDERSON** asked the Secretary of State for Foreign Affairs whether the United States of America was a signatory to The Hague treaties guaranteeing the neutrality of Belgium; and if he will state what other nations were signatories to that guarantee?

Sir J. SIMON: I assume that my hon. Friend is referring to the Belgian settlement of 1839. This consisted of three treaties signed at London, not at The Hague. The United States of America was not a signatory of those treaties, which were first a treaty between Great Britain, Austria, France, Prussia and Russia on the one hand and the Netherlands on the other; secondly, a treaty between the first five Powers mentioned and Belgium; and thirdly, a treaty between the Netherlands and Belgium.

CHINA AND JAPAN (MUNITIONS).

34. **Captain HUNTER** asked the Secretary of State for Foreign Affairs what indications there are of universal agreement, on the part of the foreign countries concerned, with the decision of His Majesty's Government to ban the export of arms to China or Japan?

36. **Mr. T. WILLIAMS** asked the Secretary of State for Foreign Affairs if he will state what progress has been made with the negotiations set on foot by the League of Nations for the establishment of an embargo prohibiting the sale by members of the League of arms and other munitions of war to Japan?

38. **Captain PETER MACDONALD** asked the Secretary of State for Foreign Affairs if he can state the number and names of those countries which equally with ourselves have agreed to an embargo on the export of arms and munitions to the belligerents in the Far East, and the number and names of those countries which are not adopting this policy?

39. **Mr. HANNON** asked the Secretary of State for Foreign Affairs whether any European Government has yet instituted an embargo upon the export of arms to the belligerent countries in the Far East; if any conference between European countries on this subject is contemplated; and, if no such conference is contemplated, when does he expect European Governments to declare their policy in this respect?

Sir J. SIMON: There is no indication of universal agreement. This leaves this country in a situation which cannot be allowed to continue, and this is the first matter which will be taken up by the Prime Minister and myself at Geneva this week.

Mr. WILLIAMS: Do we understand the right hon. Gentleman to imply by his answer that the Prime Minister and himself are going to press the question at Geneva in the hope that they may secure general agreement among all the nations?

Sir J. SIMON: The Prime Minister, I am sure, will deal with the matter with the greatest discretion, and, naturally, we shall want to know, when we reach Geneva, what the representatives of other Powers have to propose. I intend to communicate with the principal Powers

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before we start for Geneva in order that we may be informed in advance.

Mr. HANNON: Has the right hon. Gentleman's attention been called to the intensified activity of the Creusot Works in France and the Skoda Works at Pilsen in Czechoslovakia?

Captain Sir WILLIAM BRASS: Is the Foreign Minister satisfied that other countries are in a position to be able to enforce this embargo as we are?

Mr. LANSBURY: If the Government decide to reverse the decision taken last week, will this House have an opportunity both to discuss it and to vote on it?

Sir J. SIMON: I would remind the right hon. Gentleman that the decision announced last week was a provisional decision in order to give an opportunity of finding out what was the attitude taken up by other Powers. If, unfortunately, it turned out that the attitude taken up by other countries did not permit of universal agreement, there would be no reversal of the decision if we had to make a fresh announcement.

Mr. LANSBURY: I should like to ask the right hon. Gentleman if he is aware that the decision that was arrived at was welcomed by a very large proportion of the people of the country, and if it is to be reversed this House ought to have an opportunity of discussing and voting upon it, because it will be a reversal, despite what the right hon. Gentleman has said.

Mr. LEWIS: Can the right hon. Gentleman state whether the Government of any country in the world has expressed unqualified approval of our action with regard to this embargo—any country in the world?

Colonel WEDGWOOD: Before the right hon. Gentleman answers that question, may I ask him whether it is necessary to have the approval and concurrence of foreign countries when we do the right thing?

Sir J. SIMON: I have already said that there is no indication of universal agreement, and it has been stated from this Box by the Prime Minister as well as by myself that, of course, we have always contemplated that the only permanent arrangement was one which would be universally accepted.

Captain P. MACDONALD: Can the right hon. Gentleman say if any other country in the world insists upon issuing Government licences for the export of munitions besides ourselves?

Sir J. SIMON: As far as I am aware, the system existing in this country, which requires a licence issued by the Government before arms and munitions are exported, is a system which does not obtain elsewhere.

Sir W. DAVISON: Is the right hon. Gentleman aware that this is giving serious offence both to Japan and China?

41. **Mr. MORGAN JONES** asked the Secretary of State for Foreign Affairs whether his attention has been drawn to the ultimatum delivered by the Japanese Government to the Chinese Government on 23rd February, and communicated to the League of Nations on 24th February, to the effect that if the Chinese troops resist the Japanese invasion of the province of Jehol the Japanese Government will find it difficult to guarantee that fighting will not spread to North China; and whether, as the unanimous report of the Assembly of 24th February states that no question of Chinese responsibility can arise for the development of events since 18th September, 1931, he will inform the Japanese Government that it will be held responsible for any damage to British property or danger to British subjects resulting from the continuance and extension of the present hostilities?

Sir J. SIMON: The answer to the first part of the question is in the affirmative. Before this, on the 12th January, His Majesty's Ambassador at Tokyo had already reminded the Japanese Government of the magnitude of British national interests in North China and warned them that damage to those interests would give rise to claims for compensation. On the outbreak of hostilities in Jehol, His Majesty's Consul-General at Mukden gave to the Japanese authorities a list of British subjects in Jehol, and His Majesty's Ambassador at Tokyo has requested the Japanese Government to take measures for their protection.

Mr. JONES: Has any response been received from the Japanese Government? Has there been any undertaking?

Sir J. SIMON: I should require notice of that question; I am not quite sure.

83. **Mr. LUNN** asked the President of the Board of Trade what will be the position of arms and munition factories abroad owned by British firms; and whether such firms will still have facilities for selling arms and munitions to China and Japan from these factories abroad?

Lieut.-Colonel COLVILLE: The control exercised by this country applies only to exports shipped from United Kingdom ports.

84. **Mr. LUNN** asked the President of the Board of Trade whether any existing arms contract between any British firms and the Chinese or Japanese Governments contains a renewable clause the fulfilment of which can defeat the aims of the arms embargo; and, if so, what is the nature of such a clause?

Lieut.-Colonel COLVILLE: I am not aware of the existence of any such clause.

Mr. LUNN: Will the hon. and gallant Gentleman make inquiries to see whether there is anything of that nature being done by those who are exporting arms to China or Japan?

Lieut.-Colonel COLVILLE: I will bear in mind the point of my hon. Friend, but my answer is the result of inquiries.

Earl WINTERTON: What right has the Board of Trade to make inquiries unless the law is being broken? What is their *locus standi* in the matter?

Lieut.-Colonel COLVILLE: I have indicated that, as far as I am aware, there are no such clauses operating.

Earl WINTERTON: I understood my hon. Friend to say that he was going to ask for information? I ask him what *locus standi* he has for asking? None.

LEAGUE OF NATIONS CONTRIBUTIONS (CHINA).

35. **Sir W. DAVISON** asked the Secretary of State for Foreign Affairs whether all arrears of subscription due from the Chinese Government to the League of Nations have now been paid; and, if not, what is the amount still outstanding?

Sir J. SIMON: As my hon. Friend the Under-Secretary of State for Foreign Affairs explained in reply to the question of my hon. Friend the member for Acton (Mr. Duggan) on the 4th July last, the Chinese Government, in accordance with a special arrangement approved by the 1930 Assembly, is paying off its arrears due for the years 1922-1930 by equal instalments over a period of 20 years, and has in both 1931 and 1932 paid the instalments due under this arrangement. Apart from these yearly payments in respect of arrears for the years 1922 to 1930, China has also, in common with all other States members, to make an annual contribution towards the current expenditure of the League. In respect of the year 1931 China's contribution was assessed at 1,438,861 gold francs and for 1932 at 1,544,643 gold francs. Towards these two contributions China has paid at present 719,428 and 772,208 francs, respectively. For these two years, therefore, China is in arrears to the extent of 1,491,868 francs.

Sir W. DAVISON: Does my right hon. Friend think that it is fair that China should have the advantages of the League and be so substantially in arrear with her contributions, which are due from her to the League; and can he say whether these dues are payable by the Chinese Government of Peking, Canton or Nanking?

Sir J. SIMON: The Chinese Government is not the only Government in arrear. The Government from which the amounts are due is the Government which is a member of the League.

Sir W. DAVISON: Is it the Government of Peking, Canton or Nanking? That seems to me to be a clear question.

Mr. MAXTON: Are nations that are in arrear allowed by the rules of the League to take part in a war?

BRITISH VISAS (GERMANS).

37. **Captain P. MACDONALD** asked the Secretary of State for Foreign Affairs if he will state how the number of British visas of passports held by German subjects within the last fortnight compares with the average?

Sir J. SIMON: The only parts of His Majesty's dominions for which German citizens now require visas are India, Gibraltar and Malta. I have no information as to the number of visas granted for those countries within the last fort-

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night. German citizens have not required visas for the United Kingdom since the 1st January, 1928.

ANGLO-PERSIAN OIL COMPANY.

40. **Major MILNER** asked the Secretary of State for Foreign Affairs whether he can state the present position of the dispute between the United Kingdom and Persia in regard to the concession held by the Anglo-Persian Oil Company; and whether negotiations for a settlement are now proceeding?

Sir J. SIMON: In the reply which I gave on the 7th February to the question asked by the hon. Member for Colchester on this subject, I described the provisional arrangement which had been arrived at as a result of the proceedings before the Council of the League of Nations last January with a view to the settlement of the dispute. In accordance with the terms of that arrangement, direct negotiations, which will, however, remain under the aegis of the Rapporteur, will shortly be resumed between the Anglo-Persian Oil Company and the Persian Government at Tehran.

Major MILNER: Is it proposed that the Government should be represented at this conference?

Sir J. SIMON: No, Sir. The negotiations, as I have just stated, will be negotiations between the Anglo-Persian Oil Company and the Persian Government, but the Rapporteur, Dr. Benesh, will remain in touch with what is going on.

NAVAL AND MILITARY PENSIONS AND GRANTS.

42. **Mr. McENTEE** asked the Minister of Pensions whether he is aware that the daughter of the late James Westbrook, No. 200,235, rifleman, 18th Battalion Rifle Brigade, owing to physical and other defects, is unable to earn her living, and having reached the age of 21 the allowance paid to her mother by the Ministry of Pensions has now ceased; and whether, in view of the circumstances, he will consider this and similar cases among those requiring special treatment?

The MINISTER of PENSIONS (Major Tryon): I should have no authority to grant a further extension of the allowance in the circumstances of this case. On the general question which the hon. Member has in mind, I would refer him to the answer which my hon. and gallant Friend the Member for Barnard Castle (Lieut.-Colonel Headlam) gave on the 21st June last, of which I am sending the hon. Member a copy.

Mr. McENTEE: Has the Minister control of any special fund or any special institution from which a grant or treatment could be given in cases similar to this?

Major TRYON: I will gladly see if there is any special fund to which this special case could be referred.

44. **Mr. BROCKLEBANK** asked the Minister of Pensions what is the present policy of the Ministry with regard to the treatment in Liverpool of men whose minds were injured by war service; and whether in any cases such men have been transferred to lunatic asylums?

Major TRYON: There has been no change in the policy of the Ministry with regard to the treatment in Liverpool or anywhere else "of men whose minds were injured by war service." I have no authority to detain or treat in a Ministry institution a certified case of mental unsoundness, but my own policy and that of my predecessors has been to provide suitable treatment in special institutions for all cases of mental affection for which the Ministry is responsible, so long as they are not certifiable. As a matter of fact, during the past 12 months, only one case had to be transferred in the Liverpool area to a mental hospital, and that was eight months ago. Any statement, such as I believe has recently been publicly made in Liverpool, to the effect that the policy of the Ministry was, in the interests of economy, to transfer men from Ministry institutions to lunatic asylums is wholly untrue and can only cause needless anxiety.

Mr. BROCKLEBANK: Can the Minister say what is the authority for this public statement?

Major TRYON: The authority is that in the "Daily Herald" it was stated that they had an "exclusive revelation" on this subject from the Liverpool Secretary of the British Legion; and I may add that I have never seen so many untrue statements concentrated in a small space.

47. **Mr. DONNER** asked the Minister of Pensions the intentions of the Ministry with regard to Maghull hospital, near Liverpool; and whether any patients are to be transferred to any other hospitals?

Major TRYON: The accommodation provided at Maghull, near Liverpool, which is Crown property and has been used for the treatment of severe cases of epilepsy, has become increasingly in excess of the requirements of my Department and the institution is required by the Board of Control who are in a position to use it more advantageously for their own cases. I have accordingly arranged for the transfer of the patients now at Maghull along with the medical and nursing staff, to Chepstow, another Ministry hospital of more suitable size where equivalent accommodation will be provided.

Mr. DONNER: Then there is no truth in the suggestion that the Minister of Pensions is trying to get rid of these patients from Ministry of Pensions hospitals?

Major TRYON: No, Sir; this is another "exclusive revelation." These patients are being transferred from one Ministry of Pensions hospital to another Ministry of Pensions hospital.

48. **Mr. DONNER** asked the Minister of Pensions what is the policy of the Ministry with regard to utilising hospitals under their control or, alternatively, transferring patients to civil hospitals as a measure of economy?

Major TRYON: It is the policy of the Ministry to utilise civil hospitals in preference to duplicating existing facilities so far, but only so far, as this practice is consistent with the interests of ex-service patients for whom the Ministry is responsible. Ministry hospitals are provided for various special types of case for which either civil institutions do not provide, or which can be more suitably dealt with in Ministry institutions. With the decline in demand for treatment some of the Ministry hospitals have necessarily had to be dispensed with, but my hon. Friend may rest assured that special accommodation will continue to be provided so long as it is needed.

43. **Mr. NALL-CAIN** asked the Minister of Pensions how many patients for whom he is responsible are at present being treated for war disabilities in civil hospitals in Liverpool; and what amount of accommodation exists in Mossley Hill hospital?

Major TRYON: No patients for whom the Ministry is responsible are at present being treated in any Liverpool civil hospital for their accepted war disabilities. Patients requiring institutional treatment in Liverpool are ordinarily sent to the Ministry hospital at Mossley Hill, which has accommodation of 300 beds of which at present 255 are occupied.

Mr. BROCKLEBANK: Can the right hon. Gentleman say whether the panel doctors have complained of lack of accommodation in the Liverpool hospitals?

Major TRYON: No such complaints have been received, and there is no foundation whatever for newspaper statements to that effect.

UNEMPLOYMENT.

GOVERNMENT POLICY.

45. **Mr. BATEY** asked the Prime Minister whether he can now undertake to lay before this House a White Paper giving full details of the schemes for the alleviation of unemployment which the Government have now under consideration?

The PRIME MINISTER (Mr. Ramsay MacDonald): This is the same question as the one which the hon. Member addressed to me last Thursday. Some misunderstanding arose on that occasion, and I am obliged to the hon. Member for giving me this opportunity to clear it up. The policy of the Government in regard to schemes for the provision of work for the unemployed was indicated during the course of the Debate on the 16th February, and in these circumstances I do not think that any useful purpose would be served at this moment by adopting the course suggested by the hon. Member.

Mr. BATEY: Does that answer mean that the Government are not considering any schemes to alleviate unemployment?

The PRIME MINISTER: Quite the opposite; I referred the hon. Member to the place where he will find a statement about those schemes.

Mr. BATEY: On the 16th February. There is nothing there that helps us. Will the right hon. Gentleman tell us now: are the Government considering any schemes, or have they considered any schemes, to deal with this important matter?

The PRIME MINISTER: I cannot go beyond the answer I have just given to the hon. Member's question.

Mr. BATEY *rose*——

Mr. SPEAKER: Mr. Levy.

Mr. BATEY: I have only asked two supplementary questions.

WORK SCHEMES.

73. **Mr. MABANE** asked the Minister of Health whether it is his intention to issue a communication to local authorities to the effect that schemes of approved work may be begun without delay or, if begun, may be completed, with a view to the mitigation of unemployment in the building industry and associated industries?

The MINISTER of HEALTH (Sir Hilton Young): It is not intended to issue a further communication. I have no reason to think that local authorities are delaying to proceed with approved works through any misunderstanding of the position.

76. **Mr. BATEY** asked the Minister of Health with regard to the schemes put forward by the Easington Rural District Council for the purpose of providing work for 66 men in the Seaham Division and carrying out improvements for the health of the district, whether he will reconsider his refusal to sanction these schemes and inquire further into the advisability of adopting them?

Sir H. YOUNG: I understand that the question refers to certain schemes of sewerage which the council are preparing. I have not yet received an application for sanction to a loan. Any such application will be considered in the light of the policy of the Government as explained to the House on 15th ultimo.

NEW EXCHANGE BUILDING, NORWICH.

70. **Mr. HARTLAND** asked the First Commissioner of Works whether he is prepared to sanction the building of the proposed new Employment Exchange in Colegate Street, Norwich, in place of that in Prince of Wales Road, which is now altogether inadequate?

The FIRST COMMISSIONER of WORKS (Mr. Ormsby-Gore): Yes, Sir. Tenders have been obtained for the building of the new Norwich Employment Exchange, and it is hoped to begin work shortly.

Mr. HARTLAND: In view of the considerable unemployment in the building trades in Norwich, will my right hon. Friend give an assurance that this matter will be expedited especially seeing that it was incontinently turned down by the late Labour Government in the person of the present Leader of the Opposition?

Mr. ORMSBY-GORE: I think that there is a long history behind it, and there is still a little matter to be cleared up about a bit of land ten feet by six. Beyond that, the difficulties have now been overcome, and there is no reason why, the tenders now being in, we should not decide on the tenders at once.

GREAT HARWOOD, LANCASHIRE.

77. **Sir W. BRASS** asked the Minister of Labour the number of persons registered as unemployed in Great Harwood, Lancashire, in September, 1931, and on the latest date for which figures are available?

Sir FREDERICK THOMSON (Treasurer of the Household): I have been asked to reply. At 21st September, 1931, there were 7,828 unemployed persons on the registers of the Great Harwood Employment Exchange. At 23rd January, 1933, the number was 4,377.

GREAT BRITAIN AND UNITED STATES (DISCUSSIONS).

46. **Mr. LEVY** asked the Prime Minister whether he can now outline broadly the proposals which will be put forward by the British mission in the approaching debts conference?

The PRIME MINISTER: I would refer my hon. Friend to the answer given by the Chancellor of the Exchequer on the 23rd February to my hon. Friend the Member for Stockport (Mr. Hammersley), to which I have nothing to add.

Sir JOHN WARDLAW-MILNE: Has the date yet been fixed, or is there any likelihood of its being fixed soon?

The PRIME MINISTER: No date has yet been fixed. I am sure the House will understand that, as the inauguration was only on Saturday, matters cannot yet have gone that far.

Mr. LANSBURY (*by Private Notice*) asked the Prime Minister whether he is now in a position to assure the House that before the vital discussion with the United States Government on the question of War Debts takes place he will, in circumstances which will permit Debate, make a statement outlining the broad principles of the policy the Government propose to pursue, and whether he can make any statement of any action proposed by the Government in relation to the financial crisis which has arisen in the United States?

The PRIME MINISTER: The situation is at present so uncertain that I am sure my right hon. Friend will appreciate the difficulty at the present time of trying to define the occasion on which a Debate on War Debts might profitably take place. As regards the last part of the question, His Majesty's Government are following with sympathetic interest the serious developments of the internal banking difficulties in the United States. No action by His Majesty's Government seems to be called for at the present moment.

Mr. LANSBURY: In view of the fact that the right hon. Gentleman has no notion when these conferences are to take place, and that there are between 3,000,000 and 4,000,000 unemployed people in this country who have been told that they must wait for these conferences before there can be any recovery, surely this House should be asked to discuss whether some measures cannot be taken by ourselves to deal with the matter? If it is possible for the President of the United States to take action immediately on his appointment, is it not time that this Government, which has been in office now for some 18 months, should take some definite and immediate measures to relieve the situation in this country?

The PRIME MINISTER: That is a totally different question from that put by the right hon. Gentleman in his private notice question. I have answered his question.

Mr. LANSBURY: What are people outside to think when the House of Commons cannot discuss these important questions and when we are shelved off month after month and told to wait? Meanwhile people are starving. I want to know what we exist for?

HON. MEMBERS: Order, order.

Mr. SPEAKER: There was nothing about this in the private notice question which the right hon. Gentleman submitted to me.

AGRICULTURE.

MEAT AND DAIRY PRODUCE (IMPORT RESTRICTIONS).

52. **Mr. LAMBERT** asked the Minister of Agriculture what progress has been made in the restriction of imports of mutton, bacon, and dairy produce from Denmark, Australia, New Zealand, and other countries with currencies depreciated in relation to sterling?

The MINISTER of AGRICULTURE (Major Elliot): I regret I have nothing to add at present to the replies which were given on 9th February and 2nd March, respectively, to my hon. Friends the Member for Colchester (Mr. Lewis) and the Member for the City of Chester (Sir C. Cayzer), of which I am sending him copies.

Mr. LAMBERT: When does the right hon. Gentleman expect to be able to give a reply? Is it not a fact that depreciated currencies in New Zealand and Australia are a breach of the Ottawa Agreements?

IMPORTED EGGS AND POULTRY (MARKING).

53. **Mr. ATTLEE** asked the Minister of Agriculture whether he will take steps to see that all cooled, cold-stored, or gas-stored poultry eggs in shell imported into this country shall be marked with indelible ink with the appropriate description?

Major ELLIOT: In the absence of international agreement on this question it is not possible to enforce the marking, with appropriate descriptions, of eggs that have been kept in cold or gas storage outside this country. All such imported eggs are, however, required to bear an indication of the country of origin or the word "Empire" or "Foreign," as the case may be.

Brigadier-General CLIFTON BROWN: Will the Government reconsider their attitude towards the Imported Foodstuffs (Marking) Bill, which was talked out by the Liberal Opposition a fortnight ago, and which would have dealt with this matter?

54. **Mr. ATTLEE** asked the Minister of Agriculture whether he can give the House any information as to the progress of the committee inquiring into the possibility of marking all imported dead poultry with the name of the country of origin or the word Imported in some permanent manner and in a prominent position on the carcase?

Major ELLIOT: The Standing Committee under the Merchandise Marks Act, 1926, to which the hon. and gallant Member refers, is inquiring into an application for an Order in Council requiring the marking of all imported meat, bacon, ham and meat offals as well as of poultry. I understand that considerable evidence has been taken by the Committee in respect of meat, bacon and ham, and that when this part of the inquiry has been completed poultry will be the next commodity to be considered.

POTATOES.

55. **Mr. SHAW** asked the Minister of Agriculture if, considering the present price of potatoes and the stocks of potatoes at present in this country, he will consider the advisability of temporarily prohibiting their importation?

Major ELLIOT: I have no powers to take the action suggested by my hon. Friend.

62. **Mr. McKIE** asked the Minister of Agriculture if he is aware that the Irish Free State Government is offering a higher bounty on potatoes for export to Great Britain from their wart-disease scheduled districts than on potatoes from their clean areas; and if he will take steps to prohibit the importation of such potatoes into Great Britain?

Major ELLIOT: The sale of Irish potatoes in this country, whether for planting or for consumption, is governed by the Wart Disease of Potatoes Order of 1923, of which I am sending a copy to my hon. Friend. I have no reason to question the efficacy of these Regulations, but if my hon. Friend has any evidence to the contrary I shall be happy to consider it.

WHEAT DEFICIENCY PAYMENTS.

56. **Mr. T. WILLIAMS** asked the Minister of Agriculture the amount of wheat subsidy that has been paid to farmers in the county of Norfolk by the Wheat Commissioners up to the last available date; and the amount assigned by farmers to landowners, banks and merchants for the same period?

Major ELLIOT: Advances amount approximately to £116,300 on account of deficiency payments have been made by the Wheat Commission to growers in Norfolk. Up to date, the Commission have received notice of 20 assignments of deficiency payments by Norfolk growers, covering about 7,300 cwts. of wheat; the advances involved amount to about £1,100.

Mr. WILLIAMS: Does the £116,000 refer to the first or to the first and second payments?

Major ELLIOT: It refers to all the payments up to the present date.

HORSES (SUPPLY).

58. **Lieut.-Colonel MOORE** asked the Minister of Agriculture whether he has any information to show whether the present supply of draught horses in this country will prove sufficient to meet the demand necessitated by the revival of arable agriculture; and whether he is satisfied that the present schemes of State encouragement for heavy horse-breeding in this country are adequate for their purpose?

Major ELLIOT: As regards the first part of my hon. and gallant Friend's question, I have no reason to suppose that the supply of horses for agricultural purposes is likely to prove inadequate. The answer to the second part is in the affirmative.

RIVER WORKS.

57. **Mr. FREDERICK HALL** asked the Minister of Agriculture whether he will give particulars of the schemes which were prepared for the river Thames in September, 1931; how much money this scheme was estimated to cost; and what part of it is now being progressed with?

Major ELLIOT: I have no information as to any schemes prepared for the river Thames in 1931. Certain works on the river Thames and the river Wey are being carried out by the Thames Conservancy and the county councils concerned under schemes approved in 1930 for grant from the Unemployment Grants Committee. These two schemes were estimated to cost respectively £300,000 and £240,000. A scheme for the dredging of the Thames above Oxford estimated to cost £50,000 was sanctioned by the Ministry under its 1929 programme of State-aided land drainage schemes for the relief of the unemployed and is still in progress. If the hon. Member so desires, I will send him information as to the progress of these schemes.

Mr. T. WILLIAMS: What are the total Government grants to this scheme?

Major ELLIOT: I should require notice of that question.

59. **Mr. PRICE** asked the Minister of Agriculture whether he is aware that a scheme for the River Avon, Warwick, was prepared by the catchment area authority and sanctioned by the late Government with a promise of grant; what progress has been made with the scheme; and whether the Government is now prepared to contribute to the cost?

60 and 61. **Mr. F. HALL** asked the Minister of Agriculture (1) whether he is aware that a scheme for the River Ouse, Yorkshire, was prepared by the catchment area authority and sanctioned by the late Government with a promise of grant; what progress has been made with the scheme; and whether the Government is now prepared to contribute to the cost;

(2) whether he is aware that a scheme for the River Great Ouse was prepared by the catchment area authority and sanctioned by the late Government with a promise of grant; what progress has been made with the scheme; and whether the Government is now prepared to contribute to the cost?

Major ELLIOT: The answer to the first part of the questions is in the negative. As regards the last part, the position with regard to Government grants is as set out in the reply which I gave on 20th February to a question by my hon. Friend the Member for Don Valley (Mr. T. Williams), of which I am sending copies to the hon. Members.

Mr. T. WILLIAMS: Are we to understand that, notwithstanding the terrific floods from which a great deal of Yorkshire is now suffering, the Government may not be expected to change their minds with regard to grants?

Major ELLIOT: I do not think that arises out of the question.

Mr. WILLIAMS: Is it a fact that a scheme has now been produced, and is there any chance that the Government may change their mind with regard to a grant?

Major ELLIOT: I gave the hon. Gentleman an answer with regard to Government grants on a previous occasion.

POST OFFICE.

National Savings Certificates (Addison Gardens Committee).

63. **Sir W. DAVISON** asked the Postmaster-General when he expects to be able to make a statement to the House with regard to the forfeiture or partial forfeiture of National Savings Certificates held by the nominees of the Committee of Addison Gardens, Kensington; whether he is aware that this matter has been under consideration by the Post Office and the Treasury for nearly a year; and what is the cause of the delay in arriving at a decision?

The POSTMASTER-GENERAL (Sir Kingsley Wood): As I recently informed my hon. Friend, a decision has now been reached, and a letter will be sent shortly to the Addison Gardens Committee.

Sir W. DAVISON: In view of that communication, which I understand says that Income Tax has to be deducted, on what amount is Income Tax to be paid? Is my right hon. Friend aware that the trustees of these gardens took national

[Sir W. Davison.]
savings certificates for the reason that there was no Income Tax payable; otherwise, they would have bought Funding loan or other stock which would now have shown a large appreciation in value?

Sir K. WOOD: My hon. Friend knows that the Committee were not authorised holders of the stock, and, in the circumstances I would suggest that they should seriously consider the concession that has been offered to them.

ADVISORY COMMITTEE.

64. **Mr. HUTCHISON** asked the Postmaster-General if he will arrange to publish from time to time the suggestions put forward by the members of the Post Office Advisory Committee, and the decisions reached thereon, so that the public may be able to assess the value of this body?

Sir K. WOOD: The practice has always been to regard the proceedings of the Post Office Advisory Council as being confidential, and any departure from this practice would, in my opinion, detract from the usefulness of the Council.

WIRELESS LICENCES.

65. **Mr. McENTEE** asked the Postmaster-General the number of wireless licences taken out during 1932; the number of prosecutions taken against people for operating without a licence; and the total amount of fines?

Sir K. WOOD: The number of wireless receiving licences issued during the year 1932 was approximately 5,263,000. The number of prosecutions undertaken during the same year for the use of unlicensed wireless sets was 2,825, and the total amount of the fines and costs imposed was £2,833.

Mr. McENTEE: Is the amount of the fines plus the licences taken out more or less than the actual cost of the prosecutions?

Sir K. WOOD: I could not answer that without notice. Of course, these prosecutions must also be judged apart from that aspect. Sometimes they are an encouragement to other people.

STAMP MACHINES, COLCHESTER.

66. **Mr. LEWIS** asked the Postmaster-General if, having regard to the popularity of the slot machines for stamps at the head post office in Colchester, he will consider the advisability of installing similar machines in other post offices in that town?

Sir K. WOOD: Machines have been installed at four sub-post offices in Colchester in addition to the one at the head post office and the provision of a machine at a fifth sub-office is in hand. I am considering the question of installing machines at other offices in the town.

CENTRAL TELEGRAPH OFFICE (PROMOTION).

67. **Commander MARSDEN** asked the Postmaster-General whether he is aware of the stagnation prevailing in the cable room of the Central Telegraph Office at the present time; and whether he will take advantage of any opportunities that may present themselves of relieving the position?

Sir K. WOOD: I regret that, owing to the decline in Foreign Telegraph business, there is some redundancy of staff and, as a consequence, stagnation of promotion in the cable room. Such steps as are practicable are taken to relieve the situation by transfers to other offices, but it will be appreciated that the available opportunities are extremely limited.

SLOANE TELEPHONE EXCHANGE AREA.

68. **Mr. HERBERT WILLIAMS** asked the Postmaster-General if he is aware of the frequency of breakdowns and mechanical errors in the automatic dialling machines in the Sloane telephone exchange area; whether any steps are being taken to make these machines more efficient; and whether he will abolish the extra charge made for hand-microphone instruments in view of their liability to error?

Sir K. WOOD: My inquiries do not show that breakdowns and mechanical errors in the Sloane telephone exchange area have been unduly frequent. On the contrary, test calls which are made periodically indicate that the service at Sloane is satisfactory and compares favourably with that given at other London automatic exchanges. If my hon. Friend has information of any specific instances of difficulty and will let me have particulars, I shall be pleased to have them investigated. The dialling apparatus on the hand-microphone instrument is identical with that on the ordinary pedestal instrument, and I know of no reason for the suggestion that the former type is specially liable to error.

Sir W. BRASS: Is my right hon. Friend aware that this inefficiency is not confined to the Sloane Exchange and that the human element in other exchanges is far better than this mechanically operated thing?

Sir K. WOOD: I cannot assent to that view though, in some cases, a tuition course on an automatic telephone would be advisable.

AIR MAILS (PARCELS).

69. **Mr. RANKIN** asked the Postmaster-General whether, in view of the fact that although the aggregate weight of British air-mail matter despatched from this country last year exceeded previous records the weight of the parcel air mails showed a small decrease, he is taking new steps to encourage the sending of parcels and samples by air mail?

Sir K. WOOD: There has been a general decrease in the volume of parcel traffic handled by the Post Office during the last two years, due largely to the prevailing trade depression: and the small decrease in parcel air mails is in accordance with this tendency. I can assure my hon. Friend that no opportunity will be lost of taking all such steps as are available further to promote this service.

LOCAL EXPENDITURE.

74. **Mr. H. WILLIAMS** asked the Minister of Health the expenditure in the current year, and for comparison that in 1929-30, in respect of the two chief items which constitute the economies of £20,000,000 effected on the basis of the 1929-30 expenditure?

Sir H. YOUNG: The total expenditure including capital expenditure from all sources of local authorities in England and Wales in 1929-30 on education and highways amounted to £89,550,000 and £66,650,000 respectively. I regret that I have no information as to the corresponding expenditure in the current year.

Mr. WILLIAMS: Is there any information as to how the estimate of £20,000,000 of economies is arrived at?

Sir H. YOUNG: I have given the information for which the hon. Member asked in the question, and, if any further details or information are required on the subject, I shall be happy to give them to him.

HAMPSTEAD HEATH (BUILDINGS).

71. **Mr. LEWIS** asked the Under-Secretary of State for Air whether agreement has yet been reached with the London County Council as to the nature of the buildings to be erected at Heath Brow, Hampstead Heath?

Sir VICTOR WARRENDER (Vice-Chamberlain of the Household): I have been asked to reply. Negotiations are still in progress.

Mr. LEWIS: Will the hon. Gentleman say why the Ministry persisted in disregarding the regulations of the town planning scheme, particularly having regard to the fact that this property is in the very centre of the Heath?

Sir V. WARRENDER: I do not think that that matter arises out of the question.

HOUSING.

LOCAL AUTHORITIES' SCHEMES.

75. **Mr. THORNE** asked the Minister of Health whether, with regard to the applications made by the Tring Urban District Council, the Leek Urban District Council, and the Loughborough Rural District Council for sanction to build houses, he will state the rents proposed to be charged, exclusive of rates, and the type of houses; and if he can state the superficial area in feet proposed by each of the authorities?

Sir H. YOUNG: I am sending the hon. Member the particulars he desires.

WORKING-CLASS HOUSES (COMMITTEE).

Captain CAZALET (*by Private Notice*) asked the Minister of Health whether he is yet able to announce the terms of reference and composition of the Departmental Committee to be set up with regard to the reconditioning of slums and other matters?

Sir H. YOUNG: Yes. The terms of reference to the committee will be as follows:

To consider and report—

(*a*) What, if any, further steps are necessary or desirable to secure the maintenance of a proper standard of fitness for human habitation in working-class houses which are neither situate in an area suitable for clearance under Part I of the Housing Act, 1930, nor suitable for demolition under Section 19 of that Act; and

(*b*) What, if any, further steps are necessary or desirable to promote the supply of houses for the working classes, without public charge, through the agency of public utility societies or other bodies subject to similar limitations operating in particular areas or otherwise.

The right hon. the Lord Moyne, D.S.O., has consented to act as Chairman of the Committee, and the other members will be:

The right hon. Member for Northern Cornwall (The Right Hon. Sir Francis Dyke Acland, Bt.).

The right hon. and gallant Member for Ripon (Major The Right Hon. J. W. Hills).

The hon. Member for Southampton (Sir Charles Barrie, K.B.E.).

The hon. Member for Winchester (Sir Geoffrey Ellis, Bt.).

The hon. and gallant Member for Chelmsford (Lieut.-Colonel Sir Vivian Henderson, M.C.).

The hon. Member for Dundee (Miss F. Horsbrugh, M.B.E.).

The hon. Member for South Bristol (Mr. N. K. Lindsay).

The hon. and gallant Member for Pembroke (Major G. Lloyd George).

The hon. Member for the Forest of Dean (Dr. J. V. Worthington).

Mr. CROSSLEY: To which hon. Member for Dundee does the right hon. Gentleman refer?

Sir H. YOUNG: The hon. Lady the junior Member for Dundee (Miss Horsbrugh).

HOURS OF WORK.

78. **Mr. THORNE** asked the Minister of Labour the terms of the resolution passed at the Geneva Conference in January in connection with a 40-hour working week, and the number of delegates voting for and against the resolution?

Sir F. THOMSON: A copy of the report of the Tripartite Technical Conference has been placed in the Library. An extract from this report, dealing with the three principal resolutions (out of a total of 20) and giving the results of the voting, is being circulated in the OFFICIAL REPORT.

Sir W. BRASS: Can my hon. and learned Friend say whether the populations of the countries are also included in this return?

Sir F. THOMSON: I do not think that that information is in the Department, but, if my hon. Friend will study the extract in the OFFICIAL REPORT, he will see that there is a great deal of information contained in it.

The following is the Extract:

"INTERNATIONAL LABOUR OFFICE.

Extract from report of the Preparatory Conference (10-25*th January*, 1933).

HOURS OF WORK AND UNEMPLOYMENT.

The general discussion showed that the main questions with which the conference was faced were covered by the following points:

1. Is the reduction of hours of work capable of decreasing unemployment?

2. Is such a reduction necessarily contingent upon international agreement being reached?

3. Are there any special conditions which must be considered as indispensable to ensure that that reduction in hours of work would be effective, and in particular is it necessary that the standard of life of the workers should be maintained?

These conditions were set forth in two draft resolutions submitted to the conference, one by the workers' group, the other by the Government delegates of France, Belgium, Netherlands, Spain, Chile, Germany and Italy. The draft resolution submitted by the workers' group was as follows:

'The conference considers

That discussion on the project of a 40-hour week Convention should proceed on the basis that weekly wages and monthly salaries will not be reduced by reason of the reduction of hours resulting from the adoption and application of such Convention.'

The draft resolution submitted by the seven Government delegates referred to above read:

'The conference after reviewing the various arguments advanced for and against a reduction of working hours, considers that it is one of the measures which would contribute to reducing unemployment.

The conference therefore decides to examine its detailed aspects, taking the questions raised in Part II of the conclusion of the report of the office as the basis of its examination, in order to reach an arrangement of an international character the methods of giving effect to which would be determined with a view to rendering possible the maintenance of the standard of life of the wage-earners.'

The workers' resolution was put to the vote first and was rejected by 32 votes (12 Government delegates and 20 employers' delegates) against 21 votes (two Government delegates and 19 workers' delegates) and 17 abstentions.

The workers' group then made the following statement:

> 'We shall vote in favour of the resolution submitted by the Government delegates because it contains the principle which was at the basis of the workers' resolution.
>
> If, as we hope, that resolution is adopted, we are convinced that the work of the International Labour Office which will complete the work of the present conference will be carried out along the lines indicated not only in the workers' resolution but also in that submitted by the Government delegates.'

In order to confirm and strengthen that statement ,the British workers' delegate made the following statement:

> 'The British workers would have preferred the clearer language of the Workers' Resolution, but as two Governments, in response to the direct questions put to them yesterday, have said that there is no vital difference of intention or principle, but only of phraseology, between the Workers' Resolution and that of the Governments, on that understanding—while keeping ourselves free to decide what our action shall be in June when we see the actual terms in which the draft international measure is presented—we have decided to vote for the Governments' Resolution.'

The employers' group stated that its attitude had been determined with regard to the terms of the resolution itself and not with regard to the interpretations put upon it by certain members of the conference.

The Italian employers' representative, whilst calling attention to the technical difficulties of such a regulation, nevertheless considered that the social and political aspects of the question called for its further serious examination and on those grounds made a statement to explain his vote.

The resolution submitted by the seven Government delegates was adopted by 41 votes (21 Government delegates, 19 workers' delegates and one employers' delegate), against 22 votes (three Government delegates, 19 employers) and seven abstentions."

UNION OF BENEFICES ACT (BOLTON).

85. **Sir JOHN HASLAM** asked the hon. Member for Central Leeds, as representing the Ecclesiastical Commissioners, if he can inform the House as to the reason why no action has been taken on the unanimous report made by the special commission set up to inquire into the amalgamation of the parishes of Christ Church, Bolton, with the adjoining parishes?

Mr. DENMAN (Second Church Estates Commissioner): Action in accordance with the Union of Benefices Measure, 1923, has been taken and a scheme is before the Privy Council, but certain objectors have appealed against the confirmation of the scheme and the appeal has been referred to the Judicial Committee.

Sir J. HASLAM: Does the hon. Gentleman realise that for nearly two years there has been no pastoral visitation or supervision in this parish, and that the whole parochial system, which, after all, is the greatest attribute of the Church of England, is in abeyance, and that there has been practically no visitation of the poor, sick or dying in this down-town parish?

Mr. DENMAN: I have already observed that the matter is before the Judicial Committee of the Privy Council, and I cannot interfere with them.

MAGISTRATES' DECISIONS (RESTRICTED RESIDENCE).

87. **Mr. HUTCHISON** asked the Secretary of State for the Home Department the numbers of people who are now bound over in the Metropolitan area on condition that they shall not live within a certain radius of London; and how the police in each of these cases ensure that the defendants do not live in London?

The SECRETARY of STATE for the HOME DEPARTMENT (Sir John Gilmour): I regret that I cannot give the information asked for in the first part of the question. As regards the second part, if a person were found to be living in London in breach of a condition of his recognizance, he would no doubt be brought before the court to be dealt with in the usual way.

Mr. HUTCHISON: May I ask my right hon. Friend if such sentences are not rather ridiculous, and would it not be advisable to advise all magistrates throughout the country that such sentences bring the law into contempt?

SUNDAY ENTERTAINMENTS (CINEMAS).

88. **Mr. BATEY** asked the Home Secretary the latest figures showing how many local authorities have acted under the procedure governing opening of cinemas on Sunday; how many orders have been withheld; and for what reason?

Sir J. GILMOUR: I would refer the hon. Member to the reply which I gave on the 28th February to the hon. Member for Plaistow (Mr. Thorne). The only information which I have to add to that reply is that applications for facilities for the Sunday opening of cinemas have since been submitted to me by two more areas, and that these applications are in course of being laid before Parliament as the law provides.

Mr. THORNE: After a poll has been taken by the people recording their votes for or against, is this House entitled to turn down any scheme?

Sir J. GILMOUR: Yes, certainly; it has done so.

Mr. THORNE: What is the good of it?

TRANSPORT.

TRAFFIC SIGNS (WHITE LINES).

89. **Mr. REMER** asked the Minister of Transport if in view of the success of white traffic lines as a help to the motor community and in view of the many accidents saved by this device, he will make an order that these white lines shall be compulsory at all corners?

The PARLIAMENTARY SECRETARY to the MINISTRY of TRANSPORT (Lieut.-Colonel Headlam): The effectiveness of white lines depends to a certain extent upon a reasonable restraint in their use. I understand that the Departmental Committee on Traffic Signs will deal with the use of white lines in their report, which my hon. Friend expects to receive shortly. He has no authority to make such an Order as my hon. Friend suggests.

ACCIDENTS.

90. **Mr. LEWIS** asked the Minister of Transport if having regard to the fact that since the provisions of Part I of the Road Traffic Act, 1930, came into operation there has been little diminution in the number of fatal street accidents and an increase in the number of cases of injury, despite some diminution in the number of mechanically-propelled vehicles, he proposes to introduce legislation to provide for the greater safety of persons using public thoroughfares?

Lieut.-Colonel HEADLAM: I am not satisfied that the causes of any considerable proportion of accidents on roads are susceptible of removal by further legislation. Fresh light may, however, be thrown on the subject by the investigation into the causes of fatal accidents which is now being carried out by my Department with the help of the police.

Sir W. BRASS: Will my hon. and gallant Friend consider making it compulsory for all drivers to know the code of the road before they are given licences to drive.

Lieut.-Colonel HEADLAM: I have observed that this is a question which is most certainly being considered by His Majesty's Government.

DISARMAMENT CONFERENCE.

Mr. LANSBURY (*by Private Notice*) asked the Prime Minister whether he has any statement to make with respect to the Disarmament Conference?

The PRIME MINISTER: My right hon. Friend has no doubt seen a statement which the Government issued to the Press on Friday evening. I have nothing which I can usefully add thereto. The Foreign Secretary and I intend to proceed to Geneva as soon as can be conveniently arranged.

Mr. LANSBURY: I should like to raise a question regarding the Privileges of this House. It is usual when Parliament is sitting, and the Government have an important statement to make, that such statement should be made in the House of Commons. There was plenty of time on Friday after the Cabinet meeting, which I understood took place, for the Government to have arranged for a statement to be made in the House. If they did not want to make an arrangement with the Opposition, it could have been arranged through the Patronage Secretary for one of their own Members to put a question at the close of business on Friday. I think it is a very grave departure that Members of this

House, over the week-end, should have to get information from the newspapers, which is not always accurate.

The PRIME MINISTER: I agree that newspaper information is not always accurate, but when it is given by the Government, it is. With reference to the further part of the question, there was no policy to announce, and there was no policy announced in the newspapers on Friday. As a matter of fact, it was not possible to make an announcement in the House before it rose on Friday.

Mr. LANSBURY: I am sorry to disagree with the right hon. Gentleman, but I am under the impression that I read the news on the tape before I left the House on Friday.

Sir J. SIMON *indicated dissent.*

Mr. LANSBURY: The Foreign Secretary shakes his head. I must put my own memory against his. I wish to emphasise the fact that there is a growing habit on the part of the Government to give the country information through the newspapers, instead of on the Floor of this House. We ought to have been able to ask questions on the statement. I should like to ask the right hon. Gentleman whether he is going to Geneva without giving the House any information, clear and definite, as to why he and the Foreign Secretary are called upon at a moment's notice to go; and what proposals he intends to make to the Disarmament Conference? Surely this House is as much entitled to know as anybody?

The PRIME MINISTER: No question of policy was raised in the statement, and I can assure the right hon. Gentleman that, as a matter of fact, the time was such that under the Rules of this House it was impossible before four o'clock for myself or anybody else to come from the place where we were sitting and announce that we were going to Geneva. The business of the House has to be suspended, there is no Motion for the Adjournment on Fridays, Mr. Speaker leaves the Chair, and the time at our disposal was inadequate to make arrangements for any such announcement on Friday afternoon. I am giving that information to the House to show that no discourtesy was meant and that the point was not overlooked. As a matter of fact, the nature of the decision that we should go to Geneva was not a decision in regard to policy and, therefore, does not come under a question of courtesy.

Mr. LANSBURY: I hope the Prime Minister will kindly give me his attention. He is quite mistaken in saying that it is anything unusual for the Government to come to the House of Commons and ask to be allowed to make an important statement on a Friday afternoon. The Lord President of the Council did so last Session, I forget the exact occasion, but I think it was in connection with the Lausanne Agreement. Arrangements were specially made for this to be done on a Friday afternoon, and, if the Lord President of the Council can do so, the right hon. Gentleman can; and to say that it could not be done because of the Rules of the House is sheer nonsense and is playing with the House. I repeat: the House was treated extremely badly last Friday in not having the statement made to it instead of publishing it in the Press.

Mr. MAXTON: Further in regard to the question that has been put, not merely the question of procedure: can the Prime Minister now tell the House when he and the Foreign Secretary are going to Geneva; how long they are going to be away; and are they going for the general purposes of the Disarmament Conference or in connection with the more limited question of the Chinese-Japanese embargo, which the Foreign Secretary said would be dealt with? Further, does the Prime Minister think that to go to the Disarmament Conference is the most important work that our Prime Minister and Foreign Secretary can do at the present time?

The PRIME MINISTER: At the moment we think it is a piece of work so important that it should be done. Our purpose in going to Geneva is to try and get some sort of agreement as to how the Disarmament Conference can do its business in the best way at the moment. There is no new policy. We are going to try and use whatever influence we may have to get the Disarmament Conference to a point when an agreement although not reached is well within sight.

Mr. LANSBURY: But the right hon. Gentleman is going to Geneva without the House of Commons knowing all the facts which have compelled the Government to

[Mr. Lansbury.]

take the extraordinary step of sending the Prime Minister and the Foreign Secretary to the Disarmament Conference, without the House having any opportunity of discussing the matter. Surely this House has a right to know?

The PRIME MINISTER: The right hon. Gentleman seems to forget that both the Foreign Secretary and I have been to Geneva on Disarmament business again and again. Moreover, the list of British delegates, published when the Disarmament Conference started its work, included both the Foreign Secretary and myself. We are technically at Geneva now.

Mr. LANSBURY: The majority of the House of Commons may accept that statement, but I say that it is playing with the House of Commons for the Prime Minister not to make a full and complete statement of what the Under-Secretary of State came back and told him, and which has caused the Government to take this hasty decision.

AGRICULTURAL MARKETING BILL,

"to provide for regulating the importation and sale of agricultural products and for organising the production of secondary agricultural products; to amend the law with respect to the marketing of agricultural products; and to make further provision in connection with the matters aforesaid," presented by Major Elliot; supported by Sir John Gilmour, Secretary Sir Godfrey Collins, Mr. Runciman, and the Attorney-General; to be read a Second time upon Thursday, and to be printed. [Bill 67.]

BUSINESS OF THE HOUSE.

Mr. LANSBURY: I should like to know how far the Prime Minister proposes to go with the business down for to-day?

Mr. MOLSON: May I also ask whether the Government are aware that it is important that the Doncaster Drainage Bill should be passed as soon as possible?

The PRIME MINISTER: We want to get the first three Orders on the Paper —Housing (Financial Provisions) Bill, the Doncaster Area Drainage Bill, and the Visiting Forces (British Commonwealth) Bill. There are also other Orders on the Paper, Nos. 4 and 5—Evidence (Foreign, Dominion and Colonial Documents) Bill, Assurance Companies (Winding Up) Bill —which it is understood are not contentious. There is no intention of keeping the House unduly late. The Government hope to obtain the remaining stages of the Housing (Financial Provisions) Bill, and will make as much progress as possible with the other Orders on the Paper to which I have referred. I hope that it will be possible to deal with the Doncaster Area Drainage Bill to-day, because, as the House is aware, there is further serious flooding in that district.

Mr. LANSBURY: In regard to the business announced by the Prime Minister, of course, so far as we are concerned, we shall do everything possible to help the Doncaster Area Drainage Bill through, but, as regards the Assurance Companies (Winding Up) Bill, we have not had an opportunity of really looking at that Bill, and we are not sure, therefore, what our attitude will be.

The PRIME MINISTER: If there is any objection to proceeding with that Bill, it certainly will not be proceeded with.

Motion made, and Question put,

"That the Proceedings on Government Business be exempted, at this day's Sitting, from the provisions of the Standing Order (Sittings of the House)."—[*The Prime Minister.*]

The House divided: Ayes, 260; Noes, 31.

Division No. 66.] AYES. [4.2 p.m.

Adams, Samuel Vyvyan T. (Leeds, W.)
Agnew, Lieut.-Com. P. G.
Albery, Irving James
Amery, Rt. Hon. Leopold C. M. S.
Aske, Sir Robert William
Astor, Maj. Hn. John J. (Kent, Dover)
Atholl, Duchess of
Baldwin, Rt. Hon. Stanley
Baldwin-Webb, Colonel J.
Balniel, Lord
Barclay-Harvey, C. M.
Barrie, Sir Charles Coupar
Beauchamp, Sir Brograve Campbell
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Beit, Sir Alfred L.
Benn, Sir Arthur Shirley
Bernays, Robert
Birchall, Major Sir John Dearman
Blindell, James
Bossom, A. C.
Boulton, W. W.
Bower, Lieut.-Com. Robert Tatton
Bowyer, Capt. Sir George E. W.
Boyd-Carpenter, Sir Archibald
Brass, Captain Sir William
Briscoe, Capt. Richard George
Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Brig.-Gen. H. C. (Berks., Newb'y)
Buchan-Hepburn, P. G. T.
Burgin, Dr. Edward Leslie
Burnett, John George
Butler, Richard Austen
Cadogan, Hon. Edward
Caine, G. R. Hall-
Campbell, Edward Taswell (Bromley)

Castlereagh, Viscount
Castle Stewart, Earl
Cayzer, Sir Charles (Chester, City)
Cazalet, Thelma (Islington, E.)
Cazalet, Capt. V. A. (Chippenham)
Chamberlain, Rt. Hon. N. (Edgbaston)
Chapman, Col. R. (Houghton-le-Spring)
Chapman, Sir Samuel (Edinburgh, S.)
Chorlton, Alan Ernest Leofric
Clarke, Frank
Cobb, Sir Cyril
Colfox, Major William Philip
Colville, Lieut.-Colonel J.
Conant, R. J. E.
Cook, Thomas A.
Cooke, Douglas
Cooper, A. Duff
Courtauld, Major John Sewell
Courthope, Colonel Sir George L.
Craddock, Sir Reginald Henry
Croft, Brigadier-General Sir H.
Crooke, J. Smedley
Crookshank, Col. C. de Windt (Bootle)
Crossley, A. C.
Davies, Maj. Geo. F.(Somerset, Yeovil)
Davison, Sir William Henry
Denman, Hon. R. D.
Despencer-Robertson, Major J. A. F.
Dickie, John P.
Donner, P. W.
Duckworth, George A. V.
Dugdale, Captain Thomas Lionel
Duggan, Hubert John
Duncan, James A. L. (Kensington, N.)
Dunglass, Lord
Elliot, Major Rt. Hon. Walter E.
Elliston, Captain George Sampson
Elmley, Viscount
Emrys-Evans, P. V.
Entwistle, Cyril Fullard
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Evans, Capt. Ernest (Welsh Univ.)
Everard, W. Lindsay
Fermoy, Lord
Fleming, Edward Lascelles
Foot, Dingle (Dundee)
Fox, Sir Gifford
Fremantle, Sir Francis
Gilmour, Lt.-Col. Rt. Hon. Sir John
Glossop, C. W. H.
Gluckstein, Louis Halle
Glyn, Major Ralph G. C.
Goff, Sir Park
Goldie, Noel B.
Goodman, Colonel Albert W.
Gower, Sir Robert
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Granville, Edgar
Grattan-Doyle, Sir Nicholas
Graves, Marjorie
Grimston, R. V.
Gunston, Captain D. W.
Hacking, Rt. Hon. Douglas H.
Hales, Harold K.
Hamilton, Sir R. W.(Orkney & Zetl'nd)
Hammersley, Samuel S.
Hanley, Dennis A.
Hannon, Patrick Joseph Henry
Harris, Sir Percy
Hartland, George A.
Harvey, Major S. E. (Devon, Totnes)
Haslam, Sir John (Bolton)
Headlam, Lieut.-Col. Cuthbert M.
Heilgers, Captain F. F. A.
Henderson, Sir Vivian L. (Chelmsford)
Herbert, Capt. S. (Abbey Division)
Hoare, Lt.-Col. Rt. Hon. Sir S. J. G.
Holdsworth, Herbert
Hope, Capt. Hon. A. O. J. (Aston)
Hornby, Frank
Horobin, Ian M.
Horsbrugh, Florence
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M. (Hackney, N.)
Hunter, Dr. Joseph (Dumfries)
Hunter, Capt. M. J. (Brigg)
Hurd, Sir Percy
Hurst, Sir Gerald B.
Hutchison, W. D. (Essex, Romf'd)
Jackson, Sir Henry (Wandsworth, C.)
Joel, Dudley J. Barnato
Ker, J. Campbell
Kerr, Hamilton W.
Kirkpatrick, William M.
Knight, Holford
Knox, Sir Alfred
Lamb, Sir Joseph Quinton
Lambert, Rt. Hon. George
Latham, Sir Herbert Paul
Law, Richard K. (Hull, S.W.)
Leech, Dr. J. W.
Lees-Jones, John
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Levy, Thomas
Lewis, Oswald
Liddall, Walter S.
Lindsay, Noel Ker
Lister, Rt. Hon. Sir Philip Cunliffe-
Lloyd, Geoffrey
Lovat-Fraser, James Alexander
Lumley, Captain Lawrence R.
Mabane, William
MacAndrew, Capt. J. O. (Ayr)
MacDonald, Rt. Hon. J. R. (Seaham)
MacDonald, Malcolm (Bassetlaw)
Macdonald, Capt. P. D. (I. of W.)
McKie, John Hamilton
Maclay, Hon. Joseph Paton
McLean, Major Sir Alan
Macmillan, Maurice Harold
Makins, Brigadier-General Ernest
Margesson, Capt. Rt. Hon. H. D. R.
Marsden, Commander Arthur
Mason, David M. (Edinburgh, E.)
Mason, Col. Glyn K. (Croydon, N.)
Mayhew, Lieut.-Colonel John
Meller, Richard James
Mills, Major J. D. (New Forest)
Mitchell, Sir W. Lane (Streatham)
Molson, A. Hugh Elsdale
Moore, Lt.-Col. Thomas C. R. (Ayr)
Moreing, Adrian C.
Morris, Owen Temple (Cardiff, E.)
Morris-Jones, Dr. J. H. (Denbigh)
Morrison, William Shephard
Muirhead, Major A. J.
Munro, Patrick
Nall-Cain, Hon. Ronald
Nation, Brigadier-General J. J. H.
Nicholson, Godfrey (Morpeth)
Nunn, William
O'Connor, Terence James
Ormsby-Gore, Rt. Hon. William G. A.
Patrick, Colin M.
Peat, Charles U.
Petherick, M.
Peto, Geoffrey K.(W'verh'pt'n, Bilst'n)
Pickford, Hon. Mary Ada
Pike, Cecil F.
Pownall, Sir Assheton
Procter, Major Henry Adam
Raikes, Henry V. A. M.
Ramsay, T. B. W. (Western Isles)
Ramsbotham, Herwald
Rathbone, Eleanor
Rea, Walter Russell
Reid, Capt. A. Cunningham-
Remer, John R.
Ropner, Colonel L.
Rosbotham, Sir Samuel
Rothschild, James A. de
Runciman, Rt. Hon. Walter
Runge, Norah Cecil
Russell, Alexander West (Tynemouth)
Russell, Richard John (Eddisbury)
Rutherford, John (Edmonton)
Salmon, Sir Isidore
Samuel, Sir Arthur Michael (F'nham)
Samuel, Rt. Hon. Sir H. (Darwen)
Sandeman, Sir A. N. Stewart
Sanderson, Sir Frank Barnard
Savery, Samuel Servington
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Shaw, Captain William T. (Forfar)
Simmonds, Oliver Edwin
Simon, Rt. Hon. Sir John
Sinclair, Maj. Rt. Hn. Sir A.(C'thness)
Skelton, Archibald Noel
Smith, Bracewell (Dulwich)
Smith, Sir Jonah W. (Barrow-in-F.)
Smith, R. W. (Aberd'n & Kinc'dine,C.)
Smith-Carington, Neville W.
Smithers, Waldron
Somerville, Annesley A. (Windsor)
Sotheron-Estcourt, Captain T. E.
Southby, Commander Archibald R. J.
Spears, Brigadier-General Edward L.
Spencer, Captain Richard A.
Stanley, Lord (Lancaster, Fylde)
Stewart, William J. (Belfast, S.)
Stourton, Hon. John J.
Strauss, Edward A.
Stuart, Lord C. Crichton-
Sueter, Rear-Admiral Murray F.
Sugden, Sir Wilfrid Hart
Summersby, Charles H.
Sutcliffe, Harold
Touche, Gordon Cosmo
Tryon, Rt. Hon. George Clement
Vaughan-Morgan, Sir Kenyon
Wallace, Captain D. E. (Hornsey)
Ward, Lt.-Col. Sir A. L. (Hull)
Ward, Irene Mary Bewick (Wallsend)
Ward, Sarah Adelaide (Cannock)
Wardlaw-Milne, Sir John S.
Warrender, Sir Victor A. G.
Wedderburn, Henry James Scrymgeour-
Weymouth, Viscount
Whiteside, Borras Noel H.
Williams, Charles (Devon, Torquay)
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Wilson, Clyde T. (West Toxteth)
Wilson, G. H. A. (Cambridge U.)
Winterton, Rt. Hon. Earl
Womersley, Walter James
Wood, Rt. Hon. Sir H. Kingsley
Wood, Sir Murdoch McKenzie (Banff)
Worthington, Dr. John V.
Young, Rt. Hon. Sir Hilton (S'v'noaks)
Young, Ernest J. (Middlesbrough, E.)

TELLERS FOR THE AYES.—Sir Frederick Thomson and Sir George Penny.

NOES.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Batey, Joseph
Brown, C. W. E. (Notts., Mansfield)
Cove, William G.
Cripps, Sir Stafford
Daggar, George
Davies, Rhys John (Westhoughton)
Edwards, Charles
George, Major G. Lloyd (Pembroke)
Greenwood, Rt. Hon. Arthur
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hicks, Ernest George
Hirst, George Henry
Jones, Morgan (Caerphilly)
Lansbury, Rt. Hon. George

Logan, David Gilbert
Lunn, William
McEntee, Valentine L.
Maxton, James
Milner, Major James
Parkinson, John Allen
Price, Gabriel
Salter, Dr. Alfred
Thorne, William James
Williams, David (Swansea, East)
Williams, Edward John (Ogmore)
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE NOES.—Mr. G. Macdonald and Mr. Tinke

PROTECTION OF ANIMALS (AMENDMENT) (No. 2) BILL,

"to amend section three of the Protection of Animals Act, 1911," presented by Sir Robert Gower; supported by Major-General Sir Alfred Knox, Lieut.-Colonel Moore, Mr. Lovat-Fraser, Captain Erskine-Bolst, Mr. David Grenfell, Sir Cooper Rawson, Sir George Jones, and Mr. Harbord; to be read a Second time upon Friday, and to be printed. [Bill 68.]

WRITTEN ANSWERS.

INDIA.

Silver.

Mr. T. GRIFFITHS asked the Secretary of State for India whether the Government of India will consider the advisability of utilising a portion of the gold currency reserve for the purchase of silver with a view to the coinage of rupees?

Sir S. HOARE: No, Sir. The Government of India have no need of further silver beyond their present holdings.

Territorial and Auxiliary Forces.

Mr. T. GRIFFITHS asked the Secretary of State for India whether the Government of India have under consideration the recommendations of the Territorial and Auxiliary Forces Committee; and, if so, when a decision may be expected on the matter?

Sir S. HOARE: This Committee reported in 1925. Its recommendations were considered in 1926 and approved with minor modifications in 1927.

Sub-Judgeships, Punjab.

Captain FULLER asked the Secretary of State for India if he is aware of recent cases in the Punjab where candidates related to judicial officers have been appointed to sub-judgeships over others who had qualified for the appointments by competitive examination; what action has been taken against those concerned; and how it is proposed to prevent such happenings in future?

Sir S. HOARE: I have seen a statement in the Press regarding this matter, and am making inquiries of the Government of India.

Meerut Prisoners.

Mr. E. WILLIAMS asked the Secretary of State for India the name of the prison where the Meerut prisoners are confined; and, if they have been distributed to more than one prison, will he give particulars?

Sir S. HOARE: All the prisoners except one continue to be confined in the Meerut Jail, pending their decisions on the question of an appeal to the High Court.

Education.

Mr. MORGAN JONES asked the Secretary of State for India whether the attention of the Government of India has been drawn to the lack of funds in the several provinces of India for the purpose of implementing legislation for primary education in rural areas and for the depressed classes; and, if so, what steps they propose to take with a view to enabling provincial Governments to carry such legislation into effect?

Sir S. HOARE: I have no information on the matter. Education is a subject which is under the control of the Governments in India, and it is for them to decide what steps can be taken to give effect to legislation of the kind referred to.

Royal Engineers (Railway Locomotives, Handling).

Duchess of ATHOLL asked the Financial Secretary to the War Office the number of officers and men of the Royal Engineers trained in the handling of railway locomotives in India in each of the years 1929, 1930, 1931, and 1932?

Sir S. HOARE: The information asked for is not available here, but will be obtained from the Government of India if my Noble Friend so desires.

TRADE AND COMMERCE.

RUSSIA.

Sir B. PETO asked the President of the Board of Trade what was the excess of imports over exports of merchandise in the 11 years, 1922 to 1932, in the trade of the United Kingdom with the Soviet Union, excluding re-exports from this country of goods imported for export?

Dr. BURGIN: The total imports into the United Kingdom of merchandise consigned from the Soviet Union during the 11 years, 1922 to 1932, exceeded in value our domestic exports to that country by £185,500,000.

Sir A. KNOX asked the President of the Board of Trade what was the value of goods imported from the Union of Socialist Soviet Republics in 1932; the value of exports of British produce, and of re-exports of imported merchandise, respectively, consigned from Great Britain to the Union of Socialist Soviet Republics in the same year?

Dr. BURGIN: As stated in the issue of the "Accounts relating to Trade and Navigation of the United Kingdom" for January last, the total declared value of merchandise imported into and exported from the United Kingdom in the trade with the Soviet Union during 1932 was as follows: Total imports, £19,697,013; domestic exports, £9,274,534; re-exports, £1,221,565.

IMPERIAL PREFERENCE (PALESTINE).

Mr. D. ADAMS asked the Secretary of State for the Colonies whether His Majesty's Government have decided to give the benefit of the preferential tariff rates applicable to the Dominions to the mandated territory of Palestine?

Sir P. CUNLIFFE-LISTER: I would refer to my reply to my hon. Friend the Member for Dudley (Mr. Joel) on the 1st of this month, of which I will send the hon. Member a copy.

ROYAL DOCKYARDS (UNESTABLISHED MEN).

Mr. HICKS asked the Parliamentary Secretary to the Admiralty what is the present number of unestablished men in His Majesty's dockyards and naval depots over the age of 45; how many of these men are likely to be retained until they reach the age of 60; and what steps, if any, are to be taken to place such men on the established list during the next few years?

Lord STANLEY: I regret that we have not the statistics available to enable me to give a precise reply to the first part of the question. With regard to the second part, it is the policy of the Admiralty to avoid discharges of unestablished men so far as is practicable and consistent with the amount of work to be done. With regard to the last part of the question, the proportion of established men now borne is considerably in excess of the normal limits, and at the present time one vacancy in six is being filled.

ARGENTINE RAILWAYS (BRITISH CAPITAL).

Sir B. FALLE asked the Secretary of State for Foreign Affairs whether His Majesty's Ambassador in Buenos Aires will make representations to the Argentine Government to safeguard the interests of the railways in Argentina capitalised with British money which are now in competition with Argentine State-organised railways?

Sir J. SIMON: His Majesty's Government are ready to consider any specific claim for assistance put before them by the interested party and to make suitable representations whenever they can be usefully made in regard to a particular case.

GOVERNMENT DEPARTMENTS (ACCOUNTANTS).

Mr. RHYS DAVIES asked the Financial Secretary to the Treasury whether he is aware that the Civil Service is practically closed to persons who have been articled to firms of accountants and who, at the age of 21 or thereabouts, have passed their final examinations to qualify in that profession outside the Civil Service; and whether he can make arrangements to allow such persons to compete in Civil Service examinations for Government posts as accountants and auditors on equal terms with members of the Civil Service staffs?

Mr. HORE-BELISHA: Vacancies in the Civil Service for which it is considered desirable to require candidates to have obtained professional accountancy qualifications at the time of candidature are ordinarily open to civil servants and outside candidates alike. In other cases candidates are recruited for accounting duties direct from the normal Civil Service open competitive examinations and where necessary subsequently acquire professional qualifications during their service. These competitions are open to all candidates at the prescribed age limits, and I see no reason for extending these limits in favour of persons who article themselves to firms of outside accountants. I would add, for the information of the hon. Member, that persons who have qualified as accountants are eligible to compete for commissions in the Accountant Branch of the Royal Air Force if they are between the ages of 22 and 26 years.

ELECTRICITY SUPPLY.

Captain FULLER asked the Minister of Transport what the estimated capital expenditure of the electricity grid system is; how much has been expended to date; and if he is satisfied that the work will be carried out within the estimate?

Lieut.-Colonel HEADLAM: The annual report and accounts of the Central Electricity Board for last year showing the actual expenditure to 31st December are not yet published, but I understand they will shortly be available, and will show the actual expenditure up to that date. As regards the original estimated cost of the grid, including standardisation of frequency, I would refer my hon. and gallant Friend to the eleventh report of the Electricity Commissioners (for the year 1930-31) where the position is set out.

HOUSING (MATERIALS).

Sir C. RAWSON asked the Minister of Health if His Majesty's Government propose to take any steps to prevent syndicates subsidised by local authorities or building societies from importing foreign bricks and cement in connection with the erection of houses so long as British products are available for the purpose?

Sir H. YOUNG: I am not aware of the existence of any such syndicate as my hon. Friend apparently has in mind.

LONDON COUNTY COUNCIL (SURPLUS PROPERTY SALE).

Mr. THORP asked the Minister of Health whether he is aware that a contract has been entered into by the London County Council for the sale of Numbers Farm, King's Langley, Herts; as this sale is subject to his approval, will he state the cause of the delay in granting or refusing consent; and, as the delay is causing some 40 men to be out of temporary employment and some 10 men to be out of permanent employment, will he expedite his decision upon the question?

Sir H. YOUNG: My consent to this sale was issued on 28th February.

ORDERS OF THE DAY.

HOUSING (FINANCIAL PROVISIONS) BILL.

As amended, considered.

CLAUSE 1.—(*Discontinuance of certain subsidies under* 13 *and* 14 *Geo.* 5. *c.* 24 *and* 14 *and* 15 *Geo.* 5. *c.* 35.)

4.11 p.m.

Mr. HICKS: I beg to move, in page 1, line 19, after the word "December," to insert the words:

"or that substantial expenditure had been incurred in the acquisition of land for housing."

In the Committee stage last week we asked the Minister to accept an Amendment for advancing the date from 7th December until 1st July, 1933. We thought then that there had not been adequate alternative arrangements made for house building, and I still feel personally very uneasy about the matter. We, therefore, begged the Minister to give himself greater freedom by accepting the date which we mentioned. The Minister, apparently, was not willing to be favourably impressed by our appeal to extend the period beyond 7th December, although at that time we stated very definitely that it was still within his prorogative and right to withhold his approval from schemes which he felt inclined to reject. I listened with interest to a reply which the Minister gave to a Private Notice Question to-day regarding the setting up of a committee to assist him in this particular work, and I was interested to hear that arrangements were being made to advise upon the establishment of public utility societies, as to their wisdom or otherwise, in order to assist the Government to get on with the housing programme. I have no objection at all to such a course, and I shall be very interested to find what is the degree of public response, not only to the suggestion but perhaps even the recommendation.

The definite and specific reason of this Amendment is to give the Minister greater time and a bigger range of opportunity for sanctioning the subsidy on housing schemes. I am very apprehensive that there will be a very stiff gap between the period when this Bill becomes law and the resumption of housing activities in this country. It is for these reasons that I want to give the Minister this greater power. If the public utility societies come into existence, I am unable to understand, and perhaps the Minister will help me to understand, how those societies will be able to borrow the money from the building societies, and be able to build the houses. I am unable to see how the building societies can lend money at 4 or 4½ per cent. when they themselves are generally committed at the present time to paying 4 per cent. to people who have stock in the building societies. They are committed to pay 4 per cent. without tax, and it is generally understood that something like 1 per cent. is required for general administration expenses. A public utility society might be able to borrow this money outside the building societies, and there are people who, if they knew that the money was being raised specifically for housing, would have sympathy with the purpose, and possibly would lend the money at a lower rate. There must be many municipal authorities that in years past have purchased land for the specific purpose of house building. They have laid out the land, constructed roads and put in drainage in anticipation of a general building programme for which they would be able to get financial support from the Government. The Borough of Woolwich, one-half of which I represent, sent to me a letter and begged me to bring this matter forward. They also wrote to the Minister as follows:

> "As you are aware, the Woolwich Borough Council has purchased, with your approval, an estate known as the Middle Park Housing Estate, upon which approximately 2,200 houses are proposed to be erected, and of this number the Ministry has approved for subsidy purposes schemes of 400, 4, and 388, a total of 792, leaving approximately a further 1,408 houses to be erected on this Estate."

They further say:

> "The Estate was purchased by the borough council on the assumption that the houses to be erected would benefit by the subsidy provided for by the Housing (Financial Provisions) Act, 1924."

I presume that Woolwich is not the only borough council which has purchased land on a similar assumption. The Woolwich Council say that they would have been prepared to have accepted the modifications of the 1924 Act which have taken place from time to time. They go on:

"It is a serious matter for the borough to be left with this large area of land undeveloped, and in respect of which loan charges are payable for its acquisition, and with no prospect of receiving any Government grant towards the houses which will be constructed."

I am very glad to see the right hon. Member for West Woolwich (Sir K. Wood) in his place, and I am sure that he will be only too pleased to support me in this request by speech, if not later on in the Lobby. The position is a serious one for many councils. The sites have been laid out, plans prepared and everything made ready for building. I can only presume that in many cases it has been the industrial depression which has prevented municipal authorities from pestering the Minister with greater persistency, and that if industry had been running normally the requests for housing assistance would have come in to the Minister at a much greater rate. But industry and trade have been so uncertain and irregular that municipalities have held their hands. Yet as an indication of their intention to provide houses they have taken adequate steps at other places as well as at Woolwich. That the Minister should take to himself the power proposed seems to me a practical suggestion. If he found that the applications made to him were unfair, he has still the power to withhold his sanction. I beg him to believe us that we think the gap which will be created between the passing of this Bill and the development of housing activity in another way, is a very big gap. I ask the right hon. Gentleman to take these powers in order that he may have an opportunity of rendering assistance to those municipal authorities which have made substantial expenditure in the acquisition of land for housing. Failing such assistance, I am certain that the progress of house building will be very miserable indeed.

4.27 p.m.

Mr. McENTEE: I would add my word to that of the hon. Member who has moved this Amendment, and my plea to the Minister to give most serious consideration to this matter. I can assure him that Woolwich is not the only district where serious difficulties may arise in the local council in connection with land left on their hands as a consequence of the Government's change of policy. In my own area and that immediately surrounding it, we have land, some of which we purchased during the War period at the direct instigation of the Government of that time. The Government of that time said that they desired local authorities to purchase land for large housing schemes, to make up the wastage of war time and to try to overtake the need for housing. We purchased the land, a very considerable number of acres. The same policy was carried on by successive Governments. The land was bought under conditions entirely different from those of to-day. In many areas the price that was paid could not be secured to-day if that land had to be sold in the ordinary market, or in a forced market.

In the case of some local authorities a penny rate brings in very little, and a comparatively small loss on the sale of land might mean a considerable addition to the local rates. Apart from that, a forced sale is always a bad sale. If it became known that the policy of the Ministry of Health would compel local authorities to sell the land that they held for the purpose of building houses, it is obvious that those who would be willing to purchase would not pay as good a price as ordinarily they would pay. If there are losses on the sale, who is to bear those losses? I do not think the Government will come along and say, "A previous Government, our own predecessors, induced you by circulars that they sent to you to purchase land for housing. Government policy has changed, and now we are trying to compel you to sell that land. As a consequence of the change in public policy there will be a loss on the sale of the land, and the Government are quite willing to meet you in that loss and to make a grant from the Exchequer." I would like to believe that the Government would do that.

My own area is one of the areas affected. It is true that there are many other uses to which the land there may be put by the local authority, and I am wondering whether the Government would sanction those other uses if application were made to them. I have known of some of this housing land being wanted for other purposes by the local authority, but we had the greatest difficulty in getting the Minister to sanction the change of purpose in the utilisation of the land. If we are to be compelled to use the land for some purpose other than the purpose for which we bought it, will Government sanction be easy to obtain, or are we to be put to the trouble and expense of very protracted negotiations with the Ministry and other bodies in making the transfer? The Minister ought to give serious attention to the matters raised by the Amendment.

4.29 p.m.

Sir PERCY HARRIS: This is a comparatively narrow but still an important point. It depends largely on the interpretation of the powers, the elasticity and the latitude given to the Minister in the withdrawal of the subsidy. I understand the Mover of the Amendment wants a broader interpretation. Estates have been bought, some of them many years ago, for the development of housing. I have in mind particularly two in London. I mention them not because I want to take London as standing alone, but merely as an example of what has happened all over the country. In London just after the War—early in 1919—at the instigation of the Government, the county council went in for a very big undertaking which became known as the Becontree Estate. This is an estate covering 3,000 acres and its development has been a very slow business. It is by no means completed even now. Very large sums of money have been spent in setting up a complicated organisation. Instead of developing the estate under an ordinary contract there has been a super-contractor, the firm of Messrs. Willis and Company acting as agents for the county council, and many thousands of pounds have been spent in plans, machinery and organisation. One of the difficulties in connection with that estate has been the sewerage, in relation to Barking and various drainage areas, and a large sum has been spent in sewering.

What I would like to know is, will the Minister allow to rank for subsidy schemes which have been outlined but which have not been submitted to him in detail, that is to say, with tenders, quantities and so forth? There is another estate on a smaller scale, the St. Helier Estate. A large part of it is practically untouched. In that case land was bought with the approval of the Minister for housing purposes and laid out and planned with roads, parks and gardens. Are we to allow the rest of that estate to remain high and dry without any subsidy? The Minister may say, with some reason, that the local authority can do the job itself out of the rates. If he says so he has a higher opinion of the local authorities in these matters than I have. Local authorities are inclined to say, "If we are to do a job of this kind there must be a partnership between the local authority and the State."

I would like the Minister to say either that he can accept the Amendment or, alternatively, that his powers are to be interpreted as including the power of helping in the case of uncompleted estates. That would be a great assistance to local authorities throughout the country. The right hon. Gentleman is an optimist about housing. He has put his trust in the building societies and the private builder. He may be right. Time alone will show. Some people believe that with the large amount of money which is lying idle it is possible that the building societies and the private builders will come into operation and that ultimately there will be a large output of suitable houses to let. But before that takes place there is likely to be an interregnum and that is the real danger. It would be a great stimulus to local authorities who have bought estates with the approval of the Department but have not developed those estates if they knew that such cases would be entitled to the same consideration as cases of actual contracts and schemes for the construction of houses, submitted to the Minister.

4.35 p.m.

Colonel CHAPMAN: I ask the Minister to accept this Amendment, but not solely for the reasons which have so far been put forward, although I am in agreement with the idea of the hon. Member for South-West Bethnal Green (Sir P. Harris) that there will be an interregnum between the present provision of houses and the provision of houses under this Measure. There, however, is a type of house which up to now has not been dealt with and that is the small house for aged persons. Under the 1930 Act power was given to build two-roomed houses. Up to that time all parties seemed to be against building any two-roomed houses. There is at present in mining constituencies an urgent demand for houses of that type. In Durham for many years there has been a remarkable organisation called the Aged Miners Homes. Houses were built by

[Colonel Chapman.]

the joint efforts of owners and miners and were let to old people so that after their working days they might spend the evening of their lives in comfort. The crisis through which the mining industry is passing has prevented the extension of the work of providing those homes and has also made it necessary to reduce the pensions payable to these old people.

The Amendment is after all only permissive. Under it the Minister might grant permission to build these houses and if the right hon. Gentleman accepts it an opportunity will be given to municipalities to provide two-roomed houses for aged persons where such houses are found to be necessary. I ask the Minister to consider the enormous impetus which would be given to the rehousing of the people by such a step. If those houses were provided many aged persons could go out of the three-roomed or four-roomed houses which they at present occupy. At present, in order to occupy three-roomed or four-roomed houses those aged people in many cases have to go to the public assistance committees for an augmentation of their pensions, as a pension of 25s. a week is not sufficient to enable them to pay the rents of such houses. It might be possible, however, for those old people to live on their pensions and pay smaller rents. I submit that on those grounds the Minister ought to consider the Amendment favourably.

4.37 p.m.

The MINISTER of HEALTH (Sir Hilton Young): I think I ought to clear the ground at the outset by explaining to the hon. and gallant Member for Houghton-le-Spring (Colonel Chapman) that this Amendment would have no effect whatever upon the powers of the Minister in connection with the building of small houses for aged persons. The Amendment only relates to the power of the Minister to accept plans proposed by local authorities in respect of land which they already have in hand. I am unable to accept the Amendment which is very much too wide in its extent. I recognise the motives which have led the hon. Members opposite to propose it and the hon. Member for South-West Bethnal Green (Sir P. Harris) to support it. They are anxious to obtain a further extension of what we have been calling in these Debates the buffer or the means of tiding over the transition period. I have admitted freely the desirability of having a good buffer in this respect and I have taken measures to secure it by the Amendment which was accepted during the Committee stage. What I have to represent to the House to-day is that the course which we took then was the right course for securing such a buffer as is required and that this Amendment would be a wrong way.

Consider the case of the local authorities who are in possession of land intended for housing estates. A local authority requires that land either for its immediate needs or for its future needs. If it wants the land for its immediate needs there is ample provision in the Amendment accepted during the Committee stage for making sure that the land shall be used for that purpose. The reply to the hon. Member for South-West Bethnal Green is that I shall be competent to consider the schemes which he has under consideration, if they answer the test established the other day. That test is indicated in the words which were inserted in the Bill:

> "Provided that if the Minister is satisfied that proposals for providing or promoting the provision of houses under those Acts had been prepared and were substantially ready to be submitted to him before the said seventh day of December, he may, subject to the approval of the Treasury, treat the proposals for the purposes of this Section, as if they had been submitted to him before that date."

That is the reasonable test. That relates the proposal to the fact of whether or not it is required for the immediate housing needs of the neighbourhood. But the question of whether or not the housing authority has already purchased land in order to provide houses, has no relation to the immediate needs of the neighbourhood. It may be that a local authority has purchased for years ahead, and that it has no need and will have no need, for many years to come, for the houses. If the House agrees to that distinction I think they will see that the Amendment is an unpractical one which would give an unreasonably wide extension to the powers for still admitting certain schemes to subsidy provided in the Bill as it now stands.

The buffer to which reference has been made consists of three springs. First there is the large number of houses which have already been approved for subsidy. The House may not be aware that no fewer than 70,000 houses have been already approved for subsidy which should be complete during or shortly after the calendar year 1933. The second spring of the buffer is the power of the Minister still to approve for subsidy schemes which had been prepared and were substantially ready before 7th December. My submission is that in those two ways ample provision is made for the immediate needs of localities. All that remains are the future needs. The land which is already in the possession of local authorities for future needs is not going to be wasted. There will still be the power of the local authority to make use of that land for housing purposes without a subsidy.

The hon. Member for South-West Bethnal Green appeared to pour scorn on the idea of housing schemes being carried out by a local authority without a subsidy. I established, I think, by the figures which I gave on the Second Reading that it is now possible for local authorities, without a subsidy, to produce houses which can be let at rents within a few pence of the standard normal rents at which houses could be let under a subsidy. In these circumstances there is no insurmountable economic obstacle between the local authorities and the construction of houses without subsidy, and in that way they can make use of the land which has been purchased for future housing needs. That is the substance of the matter. There is first, the provision enabling us to take in schemes which were prepared and substantially ready. That is, as regards present needs. Then as regards future needs the local authorities will still be able to use this land for housing schemes without subsidy.

Lastly, an essential reason against admitting the Amendment is that it would practically establish an indefinite extension of the period during which subsidised building would be still on the tapis, in competition with unsubsidised building, and thereby we should be getting the worst of both worlds; we should be damping down the local authorities, and we should still be keeping the obstacle in the way of the private builder.

4.46 p.m.

Mr. GREENWOOD: I regard with the deepest regret the speech which we have just heard from the Minister. I am not surprised, but I am sorry. The right hon. Gentleman has treated us to one of his usual, quite irrelevant, speeches. The point of this Amendment is simple. Ever since 1919 Minister of Health after Minister of Health—I believe the right hon. Gentleman is the sixth—has approved the purchase of land by local authorities for the building of working-class houses. For 13 years that Ministerial approval has been given to applications by local authorities on the assumption that, once the land was bought, local authorities would be enabled, because for 13 years they have had State assistance, to build the houses. The right hon. Gentleman says that if we accept this Amendment, it means an indefinite extension of the principle of the subsidy. Had this been a commercial venture, and had it been an implied term of the contract that when local authorities purchased land for the building of houses there were to be sums provided by the State, it would have been regarded as dishonourable if the contract were broken after land had been purchased.

The plain position to-day is this, that there are thousands of acres of land in England and Wales purchased, at different times since the end of the War, with the object of building working-class houses. That land was bought, not because local authorities wanted to make a great experiment in municipal enterprise, but in order to meet what they knew to be the housing needs of their own people; and under various Acts of Parliament they have been able to proceed with different kinds of public aid. I have not got the figures, so that I cannot speak in terms of actual figures, but my submission is that a very large proportion of that land was bought at a time during the period after the War, when land values were much higher than they are now. That land is now to be left with the local authorities. The right hon. Gentleman tells us that they can use it still for the building of houses, but if that land was bought at £150 an acre, and if now, because of the general slump, land is worth only £50 an acre, how are the local authorities to compete with the private builder? It is utterly

[Mr. Greenwood.]

impossible. It is asking the local authorities to undertake a task which is quite beyond their power.

The right hon. Gentleman referred to a buffer and said that we had spoken about a buffer. Let me inform him that nobody in this House but himself has ever spoken about a buffer in this connection, and I was not sure in what sense he meant the term until he said that it had three springs in it. The first spring was that 70,000 houses had already been approved at the end of last year, or when the Bill was introduced, and will be built during the present calendar year. The Bill has nothing whatever to do with those houses. They were approved under existing legislation, and, if I may say so, I can take credit myself for those 70,000 houses. That is not the buffer, it is not even a spring of the buffer, it is not anything but a fact which would have gone on and been realised, irrespective of this Bill.

The right hon. Gentleman falls back on the Amendment which he accepted in Committee, dealing with schemes substantially ready, and he says that that gives him elasticity. I say what I said in the Committee stage: I mistrust his use of this power to be elastic. Had he been prepared to make a firm definition and put it in the Bill, I should have understood that he meant to carry it out, but these vague words about schemes which are substantially ready leave him, with all the influence of an economy Government behind him, to interpret the word "substantially." Where land is already in the ownership of local authorities, there is surely a case, even if this National Government continues its inglorious career for a long time, for honouring past contracts, seeing that successive Ministers have approved the purchase of land for the building of working-class houses under the Housing Acts.

This is not a Housing Act; this is an abrogation of responsibility for Housing Acts, and local authorities are morally entitled to look forward to a fulfilment of the undertaking given by successive Ministers in the past that houses built for working-class occupants shall be used for that purpose. I would suggest that there must be many Members representing constituencies where local authorities have bought land in the expectation that they would be permitted to continue their building programmes, because they could not build all the houses at once. My hon. Friend the member for East Woolwich (Mr. Hicks) is here, and I am sorry the right hon. Member for West Woolwich (Sir K. Wood) has fled at this point. Ah, there he is. I am only sorry he is not taking part in this Debate, because there is this great developing area of Woolwich. After infinite difficulty, during the time when I was in office, Woolwich succeeded in obtaining a very large estate for the building of about 2,500 houses. There was no indication then, and indeed the situation then gave no inkling of the possibility, that there would be a National Government, so-called, which would cut the cackle and get rid of its past responsibilities. That was perhaps an unfortunate term.

Woolwich has built about one-third of the houses which it intended to build on that estate. Is Woolwich to sell that land? Is it to incur very substantial expenditure on utilising that land for other purposes, without any kind of State assistance? Is it to be assumed that Woolwich did not require that land for housing needs? Woolwich is faced with the dilemma of either trying to build houses on the land without a subsidy, or possibly selling that land at existing prices below what they might have paid for it. The estate so far consists of houses built under proper organisation and under proper conditions, and Woolwich may have to allow that magnificent site to be handed over to the private builder, to build houses of any sort or kind, subject to the very vague restrictions which the Minister says he may perhaps exercise and utilise.

I submit that this is a very reasonable Amendment and one which the House might very well accept. I imagine that if hon. Members could for the moment get rid, I will not say of their party loyalty, because hon. Members opposite are such a mixed crew to-day, but of the fear of the Whip. If the Whips were not to be put on in this Division, and if hon. Members could vote according to their conscience, they would know that it was a matter of elementary justice that local authorities which have purchased land for housing purposes on the assumption, sustained for 13 years, that there would be public assistance, should be allowed to continue their work. I hope the House will accept the Amendment and reject the Minister's advice.

4.58 p.m.

Sir FRANCIS FREMANTLE: The hon. Member for East Woolwich (Mr. Hicks), in putting his case for the Amendment very moderately, said that all housing enthusiasts would agree in asking for this Amendment. It naturally appeals to many on this side, who do not give to hon. Members opposite any priority as regards their keenness on housing for the working classes, but he is not right in saying that all of us would agree with the Amendment. I regret that the right hon. Member for Wakefield (Mr. Greenwood) should have appealed to Members from the point of view of their heart to vote for this Amendment, and should have said that if the Whips were removed, we on this side would largely go over to the Amendment. That is just where enthusiasts, with all their striving, fail, that they let their heart get the better of their head.

Mr. GREENWOOD: When did I say that I appealed to your heart? I appealed to your reason.

Sir F. FREMANTLE: No, that is just what the right hon. Gentleman did not do, and he will see in the OFFICIAL REPORT to-morrow that he wound up with an impassioned appeal, as usual, to our heart and enthusiasm, not to our reason.

Mr. GREENWOOD: To your conscience. Is that feeling?

Sir F. FREMANTLE: Conscience it was. We have to look, however, at the business side of this matter.

Mr. GREENWOOD: Ah!

Sir F. FREMANTLE: The right hon. Gentleman seems to think that we ought not to look at the business side, but that is just the difference between Members on that side and Members on this side. The right hon. Gentleman is quite consistent in taking the line that this country can afford anything that it wants, which he said on a famous occasion. That is why he and his Government brought the country to the brink of ruin, and that is why the Government turned them out. We say that money is simply a means of barter, and every individual who really knows what the responsibilities of money are, knows that we must deal with this matter from a business point of view. We have to look at this Amendment from the business point of view. I think the right hon. Member for Wakefield recognises that his argument about land bought by local authorities, which he thinks should have been allowed to develop under the existing conditions and with existing subsidies, fails. The hon. Member for South-West Bethnal Green (Sir P. Harris) referred to the two estates of the London County Council, which will serve as an illustration. I was responsible for buying the Becontree Estate on behalf of the London County Council and devising a scheme for 24,000 houses.

Mr. HICKS: A very good work.

Sir F. FREMANTLE: It was a very good piece of work on the part of the London County Council. Had the county council a right to say that, because the Government had passed the purchase of that land under the Addison subsidies, those subsidies should be continued for all time until the 24,000 houses had been erected? Of course not. Sir Alfred Mond came into office, and he had to use the knife and cut down the subsidies. Then the right hon. Gentleman who is now the Chancellor of the Exchequer introduced his housing scheme in 1923 with a fresh scheme of subsidies at a much lower rate. Was there an outcry that the London County Council were being unjustly treated or that housing was being put back? When the right hon. Gentleman the Member for Wakefield was Minister, he on his own showing ought to have restored the subsidies to the rate of the Addison subsidies. As he did not do so, he showed that there was a case for lowering them, and that does away with his argument that if land were purchased when the subsidies were being paid they should be continued until the land was developed. There is a point on which we must all agree as housing enthusiasts. The policy has now been changed from a policy of subsidies to a policy of no subsidies. It may be right or wrong, but we all ought to be able to join together in saying that we will make the best use we can of the new policy. We must have a cut and dried line where we change from one policy to the other and where the new organisation for private enterprise will come into force.

[Sir F. Fremantle.]

If the London County Council, the Metropolitan borough councils and the other councils round London were still allowed to think that for the next three years they can go on developing with the existing subsidy on the estates that they have purchased, private enterprise would say that they could not yet compete with the local authorities, and it would defer the day when private enterprise could come into the market and do their work. Having once decided rightly or wrongly to change our policy we must bring it into force as soon as possible for the sake of housing development. I hope that private enterprise will be able to rise to the requirements with the lower cost of money and possibly the lower cost of building, and that we shall be able to get the lower rented houses which we all desire. There is a case for saying that the cut should not be a straight line, because we must meet the needs of the organisation and the plans that have already been prepared. The Bill meets that point, and the Minister has to be trusted to interpret his powers wisely so as to get the result that we want and to encourage private enterprise to come back. Under the Clause as it stands we can get what is required by the Amendment, and no further extension is required. Therefore, I as a housing enthusiast shall vote against it.

5.6 p.m.

Mr. PRICE: The hon. and gallant Member for St. Albans (Sir F. Fremantle) said that we have endeavoured to get support for the Amendment by appealing to the hearts of Members on the other side. I shall not trouble to do that because I have been convinced since I have been here that they have no hearts. I do not think, either, that it is any use appealing to their reason, for I doubt whether they understand reason. I will endeavour, therefore, to put the case for the Amendment from the point of view of business. The Amendment endeavours to draw a line of demarcation on which the subsidy should be paid. In the development of housing by local authorities, it would be fair to suggest that in nearly every case the councils, whether made up of Conservatives or not, had the idea that they were going to make provision for the needs of their districts. It would be interesting to know whether the Minister would be prepared to accept his own qualification and fix that as the line of demarcation. He says that councils may have bought land far in excess of the housing needs of the district. If he will take the needs of the districts as the standard, we shall be satisfied. In many cases streets have been laid out at tremendous expenses by local authorities in the firm belief that they would be allowed to continue to meet the needs of their districts, even on a subsidy lower than when the land was bought. We say that the housing needs of the people cannot yet be met by private enterprise at a rent which will fit the income and the wage of the poor men who need houses. We ask, therefore, that a reasonable line of demarcation shall be laid down so that the local authorities will be safeguarded against any loss in the layout of the land which was undertaken with the full encouragement of the Minister, and that houses should be allowed to be built under the existing subsidy until the estates are completed. In reply to a question put by an hon. Friend with regard to small houses for old age pensioners, the Minister said, I understood, that that type of house could still go on.

Sir H. YOUNG: What I said was that it had no relation to this Amendment.

Mr. PRICE: It has this relation to the Amendment, that houses of the type which are provided for old age pensioners receive subsidy assistance. Will they receive it now? I belong to an authority which has had an application turned down for the building of small houses for old age pensioners, and we are anxious to know whether the reply of the Minister still obtains and that we shall be able to continue this type of house with subsidy assistance. If not, local authorities will not be in a position to build such houses at a suitable rent. We are not satisfied with the reply of the Minister to this Amendment. We should be prepared to accept the needs of a district as the criterion for we should be able to prove to the satisfaction of the Minister that there is still any amount of need in every part of the country for working-class houses at reasonable rents. The attitude of the Minister is not to develop houses for the poor underpaid and low wage worker, but to retard the building of the type of house that is most needed and that will certainly not be built under private enterprise and the building societies.

5.11 p.m.

Sir WILFRID SUGDEN: I have listened with amusement as well as interest to the plea of those who desire to protect the landowners, and I am carefully taking note of it ready for the time when the exploitation and the spoliation of the legitimate development of land comes before the House, when I hope we shall have substantial support from the Opposition benches. I desire particularly to claim that common sense and sympathy can go together, and I want to say in support of the Minister that what is being done under this Bill will result in a saving to the pockets of the ratepayers and the taxpayers, and will produce the goods at a price which the man in the street and the poor working man can afford to pay. I have some knowledge, as an unimportant town councillor and as one with some experience of the county council, of the devious ways of local government in a county and a town which have some sort of standing. I have no recollection of any case where the county council or the town council, which has the most public spirited men upon it, can compete with private enterprise and deliver the goods. Local authorities if they have made unwise land purchases must cut their losses and in the long run it will pay them as trustees of the ratepayers. They may sometimes have purchased land which is not always of the value which a private individual would have paid for it, and they would do better to cut their losses. I repeat I hope the House will remember that sympathy and common sense go together and that the Government stands for both.

5.14 p.m.

Mr. BANFIELD: We have listened to an interesting and amusing speech. The hon. Member for West Leyton (Sir W. Sugden) said how pleased he was that the Opposition benches are supporting the landowners. I want to draw the hon. Member's attention to the fact that the landowners in the present instance are the local authorities. We shall always have the greatest possible pleasure in supporting landowners who are local authorities, and in view of the hon. Member's speech, we hope to get his sympathy and support on the appropriate occasion. It has been said that by this Amendment we are appealing simply to the heart of the House and not to its reason. The hon. Member for West Leyton spoke about sympathy. This House has always expressed sympathy with housing. It is the best place in the world in which to get sympathy; you can get buckets of it for nothing. The argument that private enterprise could provide better and cheaper houses than the subsidised houses of the local authorities is absolutely amazing. Why has the subsidy been necessary all these years? Simply because private enterprise refused to touch the working-class house, seeing there was no profit in it. From what has been said, it might be thought there was something explosive about this Amendment, something in it akin to Bolshevism. But this is all the Amendment says:

"that substantial expenditure had been incurred in the acquisition of land for houses."

That is not unreasonable to insert in the Bill. The Minister takes his stand on the wording of the Clause, where it says that he may admit housing proposals if he is satisfied:

"that proposals for providing or promoting the provision of houses under those Acts had been prepared and were substantially ready to be submitted to him."

Under the Clause however, the Minister will be the sole judge of what is meant by "substantially ready." Local authorities who took a long-range view of housing, felt they were encouraged to embark on big housing schemes, and incurred considerable expenditure on the purchase of land, will feel that they have been let down and left with land which, perhaps, they can realise only at a loss. Contrary to the view of the Minister, I am certain that the effect of this Bill will be to discourage local authorities from embarking on further housing schemes. They will say, "We have no security for the money we are going to spend, and we may be left to bear substantial losses." If this Amendment were accepted, and it were possible for an authority which had already purchased land to go on with its housing plans, we might, I think set up a new standard of rents. While it is true that thousands of houses have been erected by local authorities, the fact remains that year by year, and even month

[Mr. Banfield.]

by month, it becomes increasingly difficult for people to pay the rents which local authorities demand for those houses. In view of the ever-increasing reductions in the wages of people, has not the time come when the subsidy might be made to achieve some real purpose by being used in such a way as to enable the local authorities to let the houses at considerable lower rents than hitherto?

I am certain that the Minister is too optimistic in believing that either private enterprise or the schemes of the building societies will provide the necessary houses. I am a member of a building society. A building society has, first of all, to consider its liabilities towards its members, its promises made to them that their claims for houses shall come first, and I very much doubt whether it will be found that building societies are going to provide all this money about which we hear so much. I know that the Minister has declared against the Amendment, and I presume that the House will proceed, as usual, to put the rubber stamp on whatever the Minister says is the policy of the Government; but I want to make it clear that we stand by this Amendment. We believe the Amendment would be a considerable help, we believe that by its means we could keep faith in local authorities, and we believe, further, that if faith is not kept with them the electors in many industrial constituences where the local authorities have incurred considerable expense for land will be asking seriously why the interests of the ratepayers have not been better safeguarded.

5.22 p.m.

Mr. PIKE: The right hon. Member for Wakefield (Mr. Greenwood) let the political cat out of the bag in the course of his speech. The strongest point he made in connection with this Amendment turned out eventually to be the weakest point. He asked whether it was right and proper to expect a local authority which had purchased land at, say, £150 an acre in the days of dear prices, to have to part with that land at a loss when values had fallen to, say, £50 an acre. The fall in the market value of land was the main reason in his submission why local authorities should be covered by this Amendment. In view of the financial position of the country, it is rather premature of the party opposite to ask the Government to hold themselves responsible for financial failures in local administration during the past 10, 15 or 20 years. Further, I think it is very unjust that we should be asked to do something by which local authorities, irrespective of the conditions that may arise in the future, would be guaranteed against loss on any of their undertakings, whether in the immediate past or the immediate future. I could not help wondering whether this Amendment would have been moved if the market values of land had risen. In that case I think it would not have been thought to be necessary to bring it forward. I do not think a local authority should ask this House to become responsible for any mistakes made in the past over the price paid for land, whether for housing or for other purposes.

It is only an assumption on the part of hon. Members opposite that all the land purchased by local authorities in the days of high prices was intended for houses, though that provides a very good reason for putting forward this Amendment. In my humble opinion any land purchased in the days of high prices for the housing of the poor would by now be covered with houses and not be a site for future houses. The hon. Member for Hemsworth (Mr. Price) said private enterprise could not possibly be expected to provide houses at rents which, with the rates, would suit the pockets of the poor. At any rate private enterprise has done it before, and I am convinced that if it were freed from the harness and strappings of Government interference it would do it again. If we continue to harness down the activities of private enterprise we cannot at the same time expect it to produce that solution of the housing problem which we want. I am satisfied that the Minister's reply adequately covered the situation, and fully justifies the House in voting against the Amendment if the Opposition force hon. Members to go into the Lobby.

5.26 p.m.

Mr. T. WILLIAMS: We shall most certainly force hon. Members into the Lobbies. The hon. Member for the Attercliffe Division (Mr. Pike) was occupied for a few weeks in telling the electors in the Rotherham Division all about the glories of private enterprise——

Mr. PIKE: The Rotherham electors would not allow us to tell them anything.

Mr. WILLIAMS: In any case, the hon. Member was in that division for two or three weeks, and I happen to know that he is quite capable of making himself heard in spite of any noise from the outskirts of the meeting. I can pay him the compliment that he knows how to deal with a crowd. He told the Rotherham electors all about the glories of the National Government and the achievements of private enterprise, but, all the same, they did not feel disposed to accept the hon. Member's logic, and returned the hon. Member who now represents that division. There is one thing I would like to say about the hon. Member for the Attercliffe Division and the wonderful achievements of private enterprise. The electors of the Attercliffe Division know what private enterprise has done for them in housing, and if a volcano were to destroy a good part of the houses in that division I think there would be few to shed a tear. If the electors of the Attercliffe Division, looking round upon the achievements of private enterprise in that division, accept the hon. Member's view about the efficiency of private enterprise, they will accept almost anything on earth. However, that is not the point.

The real point is that the right hon. Member for Wakefield (Mr. Greenwood) clearly showed that Government after Government have encouraged local authorities to purchase land and erect houses for the working class, and it is perfectly true to say that for a long period after the War private enterprise made no effort at all to meet the needs of the working-class population. Despite the apparent failure of the first Government housing scheme, we had another scheme, passed by a Conservative Government, in 1923, and yet a further scheme in 1924; and even in 1928, after three or four years of Conservative Government, the State still continued to pay approximately £9 per house for houses erected for the working class—a clear acknowledgement that private enterprise was either unwilling or unable to meet the needs of working people. If the hon. Member disagrees with the Chancellor of the Exchequer perhaps he will talk to him in private, and the Chancellor will tell him all about it. The fact of the matter is that even with the reduction of the subsidy by £1 10s. per annum, there is still the acknowledgment of the fact that private enterprise, over a certain part of the country, will not meet the known and urgent need for housing in those areas.

I reside, as does the hon. Gentleman, in a working-class area, perhaps not so thickly populated, with houses that are like rows of Grenadier Guards on parade, one after another. It is one of those districts that workmen live in because they have to work there. They certainly would not live there were they not obliged to do so because they work in those neighbourhoods. The Parliamentary Secretary to the Ministry of Health will remember that I referred to the case of Mexborough Urban District Council. Quite recently that authority purchased land on which to build approximately 200 houses. They erected some of them, but they did not build them all in two or three months. They were building their houses in blocks over two or three years, and they were developing the site at a rate with which they thought the district could cope conveniently. The applicants were there, and the authority knew that the need existed. Even in that small area there is at the present time a demand for new houses from approximately 700 applicants. The authority were about to erect 134 more houses, on land purchased, with the consent and the approval of the Ministry, exclusively for houses. Unless the right hon. Gentleman stretches the application of the words embodied in Clause 1, it may conceivably be that this local authority will be denied the right to erect houses on land which was bought exclusively for that purpose quite recently.

The hon. Member for Attercliffe, or any hon. Member, may say that in the London area, where houses are erected in blocks of 1,000 or 5,000, private enterprise may intervene and fulfil the function of house building, but in purely working-class areas, where labour conditions are not equal, private enterprise simply will not meet the need. In the area of the local authority to which I have referred, a penny rate collects about £180. The authority cannot afford to have land standing idle. If they were

[Mr. Williams.]

to sell it—I am not concerned about any loss of money that might result from their selling it, if they could—private enterprise would not build on it. Private enterprise will not build hundreds of thousands of houses to let to working-class people. Consequently, unless something is done to make as elastic as possible the words embodied in Clause 1, such areas as the one I represent—I have mentioned Mexborough, but I believe that Greasborough is another case—will be denied the right to develop finally the plots of land which they purchased exclusively for the purpose of building working-class dwellings.

The right hon. Gentleman ought to tell us, before we proceed to a Division, whether in a case such as I have mentioned—where a local authority purchased land a couple of years ago and decided to build some 200 or 230 houses, and built 70 first and further batches of 70 later on, and is employing its building operatives continuously—under the terms of the Bill the proposals for the last batch of houses were not substantially ready when this Bill was introduced on 7th December? There is a very definite fear on the part of certain local authorities, and I hope that the right hon. Gentleman will be good enough to tell us, where land has been purchased so recently and where the Ministry has had a definite intimation that houses were to be erected, that in no such case the local authority will be denied the right and privilege of building on such land, in order to meet the needs of the working-class population.

5.38 p.m.

Mr. HOLDSWORTH: I am rather at a loss to know why the Minister should be so definite in refusing this Amendment. As I read it, the Amendment is purely permissive in character, and does not say that the Minister shall continue these schemes, but that he may continue them. When the Minister was replying he made the point that if he accepted this Amendment it would mean an indefinite prolongation of the subsidy. I do not see that that can be, and I would ask him to reconsider his decision on that point. There is much to be said for the completion of schemes which are at the present time only partly developed; from many points of view it would be desirable that local authorities should complete their schemes. I cannot see that the acceptance of this Amendment would make any vital difference to the Amendment which the Minister conceded on the Committee stage. I cannot accept the contention of the Minister that this Amendment would indefinitely prolong the subsidy. If he thought that undue advantages were being taken, he would have the right within the Bill to refuse.

Question put, "That those words be there inserted in the Bill."

The House divided: Ayes, 52; Noes, 254.

Division No. 67.] AYES. [5.38 p.m.

Acland, Rt. Hon. Sir Francis Dyke
Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Batey, Joseph
Bernays, Robert
Brown, C. W. E. (Notts., Mansfield)
Cove, William G.
Cripps, Sir Stafford
Daggar, George
Davies, Rhys John (Westhoughton)
Edwards, Charles
Foot, Dingle (Dundee)
George, Major G. Lloyd (Pembroke)
Greenwood, Rt. Hon. Arthur
Griffith, F. Kingsley (Middlesbro',W.)
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hamilton, Sir R. W.(Orkney & Zetl'nd)
Harris, Sir Percy
Hicks, Ernest George
Hirst, George Henry
Holdsworth, Herbert
Hunter, Dr. Joseph (Dumfries)
Janner, Barnett
Johnstone, Harcourt (S. Shields)
Jones, Morgan (Caerphilly)
Lansbury, Rt. Hon. George
Lawson, John James
Logan, David Gilbert
Lunn, William
McEntee, Valentine L.
Maclay, Hon. Joseph Paton
Mason, David M. (Edinburgh, E.)
Maxton, James
Milner, Major James
Parkinson, John Allen
Price, Gabriel
Rathbone, Eleanor
Rea, Walter Russell
Rothschild, James A. de
Salter, Dr. Alfred
Samuel, Rt. Hon. Sir H. (Darwen)
Sinclair, Maj. Rt. Hn. Sir A.(C'thness)
Thorne, William James
Tinker, John Joseph
Williams, David (Swansea, East)
Williams, Edward John (Ogmore)
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)
Wood, Sir Murdoch McKenzie (Banff)
Young, Ernest J. (Middlesbrough, E.)

TELLERS FOR THE AYES.—
Mr. G. Macdonald and Mr. T. Groves.

NOES.

Adams, Samuel Vyvyan T. (Leeds, W.)
Agnew, Lieut.-Com. P. G.
Albery, Irving James
Allen, Sir J. Sandeman (Liverp'l, W.)
Aske, Sir Robert William
Astor, Maj. Hn. John J. (Kent, Dover)
Atholl, Duchess of
Baldwin, Rt. Hon. Stanley
Baldwin-Webb, Colonel J.
Balfour, Capt. Harold (I. of Thanet)
Bainiel, Lord
Barclay-Harvey, C. M.
Barrie, Sir Charles Coupar
Beauchamp, Sir Brograve Campbell
Beaumont, Hon. R.E.B. (Portsm'th.C.)
Bennett, Capt. Sir Ernest Nathaniel
Birchall, Major Sir John Dearman
Blindell, James
Boulton, W. W.
Bower, Lieut.-Com. Robert Tatton
Bowyer, Capt. Sir George E. W.
Braithwaite, J. G. (Hillsborough)
Brass, Captain Sir William
Briscoe, Capt. Richard George

Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Col. D. C. (N'th'l'd., Hexham)
Brown, Ernest (Leith)
Brown, Brig.-Gen. H. C. (Berks., Newb'y)
Buchan, John
Buchan-Hepburn, P. G. T.
Burgin, Dr. Edward Leslie
Burnett, John George
Burton, Colonel Henry Walter
Butler, Richard Austen
Cadogan, Hon. Edward
Campbell, Edward Taswell (Bromley)
Campbell, Vice-Admiral G. (Burnley)
Caporn, Arthur Cecil
Castle Stewart, Earl
Cautley, Sir Henry S.
Cayzer, Sir Charles (Chester, City)
Cazalet, Thelma (Islington, E.)
Cazalet, Capt. V. A. (Chippenham)
Cecil, Rt. Hon. Lord Hugh
Chamberlain, Rt. Hon. N. (Edgbaston)
Chapman, Col. R. (Houghton-le-Spring)
Chapman, Sir Samuel (Edinburgh, S.)
Chorlton, Alan Ernest Leofric
Clarke, Frank
Clarry, Reginald George
Colfox, Major William Philip
Colville, Lieut.-Colonel J.
Conant, R. J. E.
Cook, Thomas A.
Cooke, Douglas
Cooper, A. Duff
Courtauld, Major John Sewell
Craddock, Sir Reginald Henry
Crooke, J. Smedley
Crookshank, Col. C. de Windt (Bootle)
Davidson, Rt. Hon. J. C. C.
Davison, Sir William Henry
Denman, Hon. R. D.
Despencer-Robertson, Major J. A. F.
Dickie, John P.
Donner, P. W.
Dower, Captain A. V. G.
Duckworth, George A. V.
Dugdale, Captain Thomas Lionel
Duncan, James A. L. (Kensington, N.)
Dunglass, Lord
Elliot, Major Rt. Hon. Walter E.
Elliston, Captain George Sampson
Elmley, Viscount
Emrys-Evans, P. V.
Entwistle, Cyril Fullard
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Everard, W. Lindsay
Ford, Sir Patrick J.
Fox, Sir Gifford
Fremantle, Sir Francis
Galbraith, James Francis Wallace
Gillett, Sir George Masterman
Gilmour, Lt.-Col. Rt. Hon. Sir John
Glossop, C. W. H.
Gluckstein, Louis Halle
Glyn, Major Ralph G. C.
Goodman, Colonel Albert W.
Gower, Sir Robert
Grattan-Doyle, Sir Nicholas
Gretton, Colonel Rt. Hon. John
Grimston, R. V.
Gunston, Captain D. W.
Hacking, Rt. Hon. Douglas H.
Hales, Harold K.
Hamilton, Sir George (Ilford)
Hammersley, Samuel S.
Hanley, Dennis A.
Hannon, Patrick Joseph Henry
Hartland, George A.
Harvey, Major S. E. (Devon, Totnes)
Haslam, Sir John (Bolton)
Headlam, Lieut.-Col. Cuthbert M.
Heilgers, Captain F. F. A.
Henderson, Sir Vivian L. (Chelmsford)
Herbert, Capt. S. (Abbey Division)
Hills, Major Rt. Hon. John Waller
Hoare, Lt.-Col. Rt. Hon. Sir S. J. G
Hopkinson, Austin
Hornby, Frank
Horobin, Ian M.
Horsbrugh, Florence
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M. (Hackney, N.)
Hume, Sir George Hopwood
Hurst, Sir Gerald B.
Hutchison, W. D. (Essex, Romford)
Inskip, Rt. Hon. Sir Thomas W. H.
Jackson, Sir Henry (Wandsworth, C.)
Joel, Dudley J. Barnato
Ker, J. Campbell
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Kirkpatrick, William M.
Knox, Sir Alfred
Lamb, Sir Joseph Quinton
Lambert, Rt. Hon. George
Latham, Sir Herbert Paul
Law, Richard K. (Hull, S.W.)
Leech, Dr. J. W.
Lees-Jones, John
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Levy, Thomas
Lewis, Oswald
Liddall, Walter S.
Lindsay, Noel Ker
Little, Graham-, Sir Ernest
Lloyd, Geoffrey
Lockwood, John C. (Hackney, C.)
Lovat-Fraser, James Alexander
Lumley, Captain Lawrence R.
Mabane, William
MacAndrew, Capt. J. O. (Ayr)
McCorquodale, M. S.
MacDonald, Rt. Hon. J. R. (Seaham)
MacDonald, Malcolm (Bassetlaw)
McKie, John Hamilton
McLean, Major Sir Alan
Macmillan, Maurice Harold
Makins, Brigadier-General Ernest
Margesson, Capt. Rt. Hon. H. D. R.
Marsden, Commander Arthur
Mason, Col. Glyn K. (Croydon, N.)
Mayhew, Lieut.-Colonel John
Meller, Richard James
Merriman, Sir F. Boyd
Mills, Major J. D. (New Forest)
Mitchell, Sir W. Lane (Streatham)
Molson, A. Hugh Elsdale
Moore-Brabazon, Lieut.-Col. J. T. C.
Moreing, Adrian C.
Morris, Owen Temple (Cardiff, E.)
Morris-Jones, Dr. J. H. (Denbigh)
Morrison, William Shepherd
Muirhead, Major A. J.
Munro, Patrick
Nation, Brigadier-General J. J. H.
Nicholson, Godfrey (Morpeth)
Nunn, William
O'Connor, Terence James
Ormsby-Gore, Rt. Hon. William G. A.
Patrick, Colin M.
Peat, Charles U.
Penny, Sir George
Petherick, M.
Peto, Geoffrey K. (W'verh'pt'n, Bilston)
Pickford, Hon. Mary Ada
Pike, Cecil F.
Pownall, Sir Assheton
Procter, Major Henry Adam
Pybus, Percy John
Raikes, Henry V. A. M.
Ramsay, T. B. W. (Western Isles)
Ramsbotham, Herwald
Ray, Sir William
Remer, John R.
Rentoul, Sir Gervais S.
Ropner, Colonel L.
Rosbotham, Sir Samuel
Runciman, Rt. Hon. Walter
Runge, Norah Cecil
Russell, Alexander West (Tynemouth)
Russell, Richard John (Eddisbury)
Rutherford, John (Edmonton)
Samuel, Sir Arthur Michael (F'nham)
Sandeman, Sir A. N. Stewart
Savery, Samuel Servington
Selley, Harry R.
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Shaw, Captain William T. (Forfar)
Simon, Rt. Hon. Sir John
Skelton, Archibald Noel
Slater, John
Smiles, Lieut.-Col. Sir Walter D.
Smith, Sir Jonah W. (Barrow-in-F.)
Smith, R. W. (Aberd'n & Kinc'dine, C.)
Smith-Carington, Neville W.
Smithers, Waldron
Somervell, Donald Bradley
Somerville, Annesley A (Windsor)
Sotheron-Estcourt, Captain T. E.
Spears, Brigadier-General Edward L.
Spencer, Captain Richard A.
Stanley, Lord (Lancaster, Fylde)
Steel-Maitland, Rt. Hon. Sir Arthur
Stourton, Hon. John J.
Strauss, Edward A.
Stuart, Hon. J. (Moray and Nairn)
Sueter, Rear-Admiral Murray F.
Sugden, Sir Wilfrid Hart
Summersby, Charles H.
Sutcliffe, Harold
Thomas, Rt. Hon. J. H. (Derby)
Thomas, James P. L. (Hereford)
Thomson, Sir Frederick Charles
Touche, Gordon Cosmo
Tryon, Rt. Hon. George Clement
Turton, Robert Hugh
Vaughan-Morgan, Sir Kenyon
Wallace, Captain D. E. (Hornsey)
Ward, Lt.-Col. Sir A. L. (Hull)
Ward, Irene Mary Bewick (Wallsend)
Wardlaw-Milne, Sir John S.
Warrender, Sir Victor A. G.
Watt, Captain George Steven H.
Wayland, Sir William A.
Wedderburn, Henry James Scrymgeour-
Weymouth, Viscount
Whiteside, Borras Noel H.
Whyte, Jardine Bell
Williams, Charles (Devon, Torquay)
Wills, Wilfrid D.
Wilson, Clyde T. (West Toxteth)
Wilson, G. H. A. (Cambridge U.)
Windsor-Clive, Lieut.-Colonel George
Winterton, Rt. Hon. Earl
Womersley, Walter James
Wood, Rt. Hon. Sir H. Kingsley
Worthington, Dr. John V.
Young, Rt. Hon. Sir Hilton (S'v'noaks)

TELLERS FOR THE NOES.—Major George Davies and Commander Southby.

CLAUSE 2.—(*Power of Minister to reimburse part of losses sustained under guarantees to building and other societies.*)

5.45 p.m.

Sir P. HARRIS: I beg to move, in page 2, line 10, to leave out the word "intended," and to insert instead thereof the words:

"for which a satisfactory guarantee has been given that they are."

The object of this Amendment is to provide that, as soon as a builder has decided that houses which he is about to build are intended to be let to persons of the working classes, he shall show his good faith by giving a satisfactory guarantee to the building society, the local authority, and the State that the houses are so to be used. We know it is said that the way to Hell is paved with good intentions. I have no doubt that those builders who will go cap in hand to the local authorities and the building societies to get the necessary financial assistance will be inspired by good intentions, but, from what I know of the custom of the trade, the habit of private builders who build the cheaper kind of property is to turn over their money rapidly. Once the buildings are constructed, they sell them. It may be argued with some reason that, as long as the houses are built, it does not matter very much what becomes of them, but recent reports show that, as regards houses for sale, the supply is at present reasonable. As I understand it, the reason why the Minister is co-operating with the building societies is that the real problem is to get houses to let to the ordinary weekly wage earner who has comparatively low wages, and who cannot tackle the purchase of a house.

There is nothing in the Bill at present —I have read it very carefully, and it is very precise—to secure the future use of the houses when once they are constructed. They may be used for any purpose. They may be converted to commercial purposes, they may be sold, they may be let to any section of the community. I suppose the real guarantee, if I may use the word, that they will be let to the working classes is the character of the house—its size, quality and situation; but, in these hard times, when everyone is feeling economic pressure, middle-class people are rather inclined to go in for cheaper accommodation, and in the great cities, especially in London, rents of middle-class property are so high that they are often only too glad to take advantage of what hitherto has been regarded as working-class property. Under a local authority there is a check that the houses will be let at reasonable rents. Under the pressure of public opinion, the elected representatives see that the rents are reasonable and of a character that the ordinary working man can pay. The pressure is still so serious that many men are prepared to pay far more than their wages would justify their paying, or than they can reasonably afford. In the report, published the other day, on a regional survey made by a society of very good people in the Manchester district, I came across the following statement, made by a woman to the inspector:

"We had to take the flat or nothing. There was no choice. But the rent leaves very little to feed the family. Poor people can't manage it without sacrificing food and clothes."

The inspector went on to say:

"I know many poor people in this block who are going hungry to pay the rent."

That is in a case in which the local authority provides accommodation. Supply and demand being what they are, unless we can get some guarantee that the people who build these houses are going to carry out what their scheme suggests, and that the houses will really be let at reasonable rents that ordinary working-class people can pay, we may find that State money—and this is the whole point of my Amendment—can be used to give guarantees to speculative builders to build houses which they will let to the highest bidder, or, alternatively, will sell or dispose of to anyone who is ready to buy.

I attach considerable importance to this Amendment. It may be said that it is difficult to operate, but I am credibly informed that it is not uncommon, in disposing of property for commercial purposes, to get some guarantee of this kind. Anyone who knows anything about business premises knows that it is the general custom to secure that the shop shall be confined or limited to one particular kind or character of trade. Is it not reasonable to ask, when the State is going into partnership for the first time with the private builder, that there should be some guarantee that the houses should be confined, first to the working classes, and, secondly, to letting, and should not be available for sale. Here we are making a new departure. We are suggesting that the co-operation of local authorities is no longer wanted. The Parliamentary Secretary has waxed eloquent on private enterprise. The private builder, he says, without the competition of local authorities, will really now for the first time meet the demand. If words of this kind are introduced into the Bill, I think the public will, anyhow, feel some assurance that the purpose of the Bill will not be defeated, and that the great need for the provision of decent houses at reasonable rents for the working-class population of our great towns will be met.

5.53 p.m.

Mr. JANNER: I beg to second the Amendment.

In my view, and I think it will be the view of the House, this Amendment ought to be considered as striking at the very root of the Bill. The Bill itself is perfectly clear, in its Preamble anyhow, although it becomes rather muddled later on. The Preamble says quite definitely that the object of the Bill is to enable the Minister

> "to make contributions in certain cases towards losses sustained by authorities under guarantees given by them for facilitating the provision of houses to be let to the working classes."

There is no question there of any intention; it is purely and simply a statement of the fact that the object is to grant facilities for the erection of houses which are definitely to be let to the working classes. In these circumstances, I would ask the Minister to consider whether he cannot accept this reasonable Amendment. It contains nothing that is contradictory to the intention of the Bill. It contains, however, something substantial, for it amends a word which really upsets what was the intention of the Bill, and I think it should be clear to those who are promoting the Bill that these words should be inserted. It is for the purpose of providing houses for the working classes that we are considering this Bill. We asked at one stage that provision should be made whereby the rent to be charged in respect of these houses should be controlled in some manner or another, or that it should come within the compass of the rents charged for houses which are to-day protected by the Rent Restriction Acts. We were told that that was not necessary, though to many of us it appeared to be very substantially necessary. If we cannot get a provision of that nature, at least we ought to be assured that the working classes will be given the opportunity of using these houses as tenants, and will not, as is bound to happen in many cases in the absence of such a provision, be compelled to purchase the houses.

As my hon. Friend has indicated, the builder is only human, and he may consider it advisable in his interests to sell the houses. Although his intentions at the commencement may have been perfectly honourable, and he may have been perfectly willing to build those houses for the purpose of letting, he may nevertheless find himself at a later stage desirous of selling the houses. His intention was a good one, but, unfortunately, he finds that it does not meet his desire at a later stage, and he proceeds to sell the houses, or to let them to someone who is not a member of the working classes. There is nothing in the Bill to prevent him from doing that as long as he can honourably say that, at the time when he erected the houses, he really intended that they should be let to the working classes.

Mr. HOPKINSON: The hon. Member keeps repeating the expression "working classes." Will he tell us who they are?

Mr. JANNER: I have not introduced the term "working classes" into this matter. It is in earlier Statutes, and it is in this particular Bill, which I presume will also become a Statute. Perhaps the right hon. Gentleman will tell us, when he replies, what exactly he means by the term "working classes"? My view is that it is generally understood what a member of the working classes is, and, if it is not understood, the poor fellow who is going to say that it was his intention to let his houses to the working classes is going to find himself in just as big a difficulty when he expresses his intention as he will be in at a later stage if he guarantees to let them to people who are members of the working classes.

Mr. DEPUTY-SPEAKER (Sir Dennis Herbert): I must draw the attention of both hon. Members to the fact that the question of the definition of "working

[Sir D. Herbert.]
classes" hardly comes within this Amendment.

Mr. JANNER: I am afraid that my hon. Friend goaded me into saying a few words which I had not really intended to say. In these circumstances, I will proceed with the argument that I was going to put forward. We ask merely that this assurance should be given. The subsidy is going to be taken away. Many boroughs are very upset, with their intimate knowledge of the circumstances in their own districts, about this removal of an opportunity that was given for them to provide houses for the working classes. The working classes will continue to exist. No one is going to prevent that unless they find themselves in the unhappy state of being workless. They must be provided with accommodation. The object of the Bill is to provide them with that accommodation and there can be no reason at all why, in view of the Preamble to the Bill, the right hon. Gentleman should not accept an Amendment which merely carries into effect what he has indicated there as his intention.

6.2 p.m.

Sir H. YOUNG: The hon. Member said, no doubt in a moment of inadvertence, that the Amendment struck at the very root of the Bill. I am sure he did not mean it, but I am his most grateful debtor, because undoubtedly it strikes at the root of a part of the Bill. I cannot imagine an Amendment which could have been more ingeniously framed to deprive the second Clause of any potential value whatever. If we desire to encourage the investment of capital and the devotion of enterprise and initiative to the supply of small houses to let to the working classes, which we all desire to see, we shall not promote that end by putting unnecessary obstacles in the way of their employment. It is a very great obstacle to the investment of private capital and the devotion of enterprise to this object if you impose upon the ownership of the security, which is the result of that investment, new and strange restrictions which have been entirely unknown to the law hitherto, and which one would hope would be unknown to the law in the future. I ask those who are acquainted with business conditions to imagine what the emotions of any builder or investor would be if asked to produce houses subject to these restrictions. My first contention is that it would completely divert the stream of investment from this object or, if it did not, it would inevitably diminish the value of the security. By diminishing the value of the asset you would increase the return which the investor would expect from it. In other words, it would have a direct tendency to put up rents, and what we all want is to keep down rents.

But there is another and an even more conclusive argument against the Amendment. There are two safeguards against abuses of the sort to which the Proposer and Seconder have referred. The first is that under the Act the local authority is not to propose, and the Minister is not to accept, proposals for guarantees unless the houses are intended to be let to persons of the working class. It is at that time that the local authority and the Minister will consider all the circumstances of the case, and will only accept proposals for guarantees if they are of the sort that are reasonably and practically likely to fulfil the purposes which the Act has in mind. That is a practical guarantee, whatever lawyers may say. There is an even more important consideration. The whole danger that is feared by the two hon. Members is entirely illusory. The state of affairs that they fear cannot arise. They wish to guard against the use of the guarantee for houses that are not let but are in the possession of the owner-occupier. It is practically impossible for that state of affairs to arise. If the builder, or the investor who has bought the house, sells it to an owner-occupier, he will pay off the mortgage. If he pays off the mortgage, the guarantee ceases and there is no more public liability upon the house. A sale cannot take place without the repayment of the guarantee unless the builder or the investor is willing to be left with a personal agreement making him liable for the mortgage without any security and, if he did that, he would be a born fool. The state of affairs which will arise will be that, whenever a house ceases in practice to be a house let, and becomes a house in the possession of the owner-occupier, the mortgage and the guarantee will lapse, so what harm is done? The house has been provided for an owner-occupier and

State, local authority and building society finance are set free to provide a fresh house. Is not that precisely what we all require to be done?

6.8 p.m.

Mr. GREENWOOD: The word "intended" is obviously open to criticism. Intended by whom? Intended by the builder of the house? Intended by the Minister? Intended only so far as the guarantee applies to the first builder of the house? The right hon. Gentleman speaks of a house being sold to an owner-occupier, but it may not be sold to an owner-occupier. It may be sold to another landlord who will let it, and all control is then gone. The amount of public control that we are getting for the subsidy is virtually negligible. Indeed it has been admitted now that, if the builder pays off the mortgage, the guarantee ceases and there is no public liability. One of the difficulties under which we are suffering to-day is that there are 7,000,000 or 8,000,000 houses where there has been no public liability at all. All that we are doing by this Clause is to revert to unrestricted private enterprise. The right hon. Gentleman has admitted that, if the Amendment were accepted, it would destroy the second Clause. For that reason alone I am prepared to vote for it. I should be delighted if the second Clause were destroyed. Notice the argument that the right hon. Gentleman uses. "We are putting unnecessary obstacles in the way of those who wish to invest capital." We are not. The right hon. Gentleman is doing that. He is, by withdrawing all kinds of corporate assistance which have been given since 1919, discouraging the local authorities who, with assistance, could provide the necessary capital for carrying on the housing schemes that are necessary. He regards the Amendment as a great obstacle because he wants to get back at the earliest possible moment to free contract, of which he is the greatest exponent in the House.

He said that new and strange restrictions unknown to the law would be imposed. The State in times of emergency has imposed restrictions far greater than those asked for by the Amendment. It is essential that the houses that are to be built with the backing of the State shall be let to the working classes. That is not asking for new powers. It is not asking for the powers that the new President of the United States is going to ask for in order to deal with an emergency, and this is as grave if not as large an emergency. It seems to me, therefore, no argument, that the right hon. Gentleman should say that this simple Amendment imposes new and strange restrictions. The argument has been used many times by the right hon. Gentleman and by many Members on both sides that the houses that have been built and let have been let to people who are not members of the working classes. As a matter of fact, they have passed into the hands of the lower middle classes and professional people. There is a great deal of truth in that and, as I understand it, the hon. Baronet would like to provide that under the guarantee houses shall be let only to persons of the working classes. There is no reason to believe that the houses built under the guarantee will be let to any different class of persons from those to whom Chamberlain and Wheatley houses have been let in the past, unless the right hon. Gentleman takes certain steps to ensure that that is so.

Under this Clause, with the power that the guarantee gives him, it would have been possible for the right hon. Gentleman, had he so chosen, to make the wording so definite that houses would have been let to members of the working class by imposing some limitation of rent. The right hon. Gentleman asks what harm has been done in Clause 2. I am sorry that I cannot tell him yet but if he lives long enough to hear it, I shall be able to tell him, say, two years from now. What we know is that the effect of Clause 2 as it stands without this Amendment will be that there can be no certainty, first that any houses are going to be built at all and, if they are built, that they might not pass outside the occupancy of members of the working classes. I should hope—though I am afraid it will not be so—that the House on this occasion will be prepared to support the Amendment—not a very large but a reasonable one in view of the circumstances.

Question put, "That the word 'intended' stand part of the Bill."

The House divided: Ayes, 257; Noes, 54.

Division No. 68.] AYES. **[6.15 p.m.**

Adams, Samuel Vyvyan T. (Leeds, W.)
Agnew, Lieut.-Com. P. G.
Albery, Irving James
Allen, Sir J. Sandeman (L'pool, W.)
Aske, Sir Robert William
Atholl, Duchess of
Atkinson, Cyril
Baldwin, Rt. Hon. Stanley
Baldwin-Webb, Colonel J.
Balfour, Capt. Harold (I. of Thanet)
Balniel, Lord
Barclay-Harvey, C. M.
Barrie, Sir Charles Coupar
Beauchamp, Sir Brograve Campbell
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Benn, Sir Arthur Shirley
Bennett, Capt. Sir Ernest Nathaniel
Birchall, Major Sir John Dearman
Blindell, James
Boulton, W. W.
Bower, Lieut.-Com. Robert Tatton
Bowyer, Capt. Sir George E. W.
Boyd-Carpenter, Sir Archibald
Braithwaite, J. G. (Hillsborough)
Brass, Captain Sir William
Briscoe, Capt. Richard George
Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Col. D. C. (N'th'l'd., Hexham)
Brown, Ernest (Leith)
Brown, Brig.-Gen. H.C.(Berks., Newb'y)
Buchan, John
Buchan-Hepburn, P. G. T.
Burgin, Dr. Edward Leslie
Burnett, John George
Butler, Richard Austen
Cadogan, Hon. Edward
Campbell, Edward Taswell (Bromley)
Campbell, Vice-Admiral G. (Burnley)
Campbell-Johnston, Malcolm
Caporn, Arthur Cecil
Castle Stewart, Earl
Cautley, Sir Henry S.
Cayzer, Sir Charles (Chester, City)
Cazalet, Thelma (Islington, E.)
Cazalet, Capt. V. A. (Chippenham)
Cecil, Rt. Hon. Lord Hugh
Chamberlain, Rt. Hon. N. (Edgbaston)
Chapman, Col. R. (Houghton-le-Spring)
Chapman, Sir Samuel (Edinburgh, S.)
Clarke, Frank
Clarry, Reginald George
Cobb, Sir Cyril
Colfox, Major William Philip
Collins, Rt. Hon. Sir Godfrey
Colville, Lieut.-Colonel J.
Conant, R. J. E.
Cook, Thomas A.
Cooke, Douglas
Courtauld, Major John Sewell
Cowan, D. M.
Craddock, Sir Reginald Henry
Crooke, J. Smedley
Crookshank, Col. C. de Windt (Bootle)
Croom-Johnson, R. P.
Davidson, Rt. Hon. J. C. C.
Davies, Maj. Geo. F.(Somerset,Yeovil)
Davison, Sir William Henry
Denman, Hon. R. D.
Despencer-Robertson, Major J. A. F.
Dickie, John P.
Donner, P. W.
Duckworth, George A. V.
Dugdale, Captain Thomas Lionel
Duncan, James A. L. (Kensington, N.)
Dunglass, Lord
Elliot, Major Rt. Hon. Walter E.
Ellston, Captain George Sampson
Elmley, Viscount
Emrys-Evans, P. V.
Entwistle, Cyril Fullard
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Falle, Sir Bertram G.
Ford, Sir Patrick J.
Fox, Sir Gifford
Fremantle, Sir Francis
Gillett, Sir George Masterman
Gilmour, Lt.-Col. Rt. Hon. Sir John
Glossop, C. W. H.
Gluckstein, Louis Halle
Glyn, Major Ralph G. C.
Goodman, Colonel Albert W.
Gower, Sir Robert
Granville, Edgar
Grattan-Doyle, Sir Nicholas
Greaves-Lord, Sir Walter
Gretton, Colonel Rt. Hon. John
Grimston, R. V.
Gunston, Captain D. W.
Hacking, Rt. Hon. Douglas H.
Hales, Harold K.
Hamilton, Sir George (Ilford)
Hammersley, Samuel S.
Hanbury, Cecil
Hannon, Patrick Joseph Henry
Hartland, George A.
Harvey, Major S. E. (Devon, Totnes)
Haslam, Sir John (Bolton)
Headlam, Lieut.-Col. Cuthbert M.
Heilgers, Captain F. F. A.
Henderson, Sir Vivian L. (Chelmsford)
Herbert, Capt. S. (Abbey Division)
Hills, Major Rt. Hon. John Waller
Hopkinson, Austin
Hornby, Frank
Horobin, Ian M.
Horsbrugh, Florence
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M. (Hackney, N.)
Hume, Sir George Hopwood
Hurst, Sir Gerald B.
Hutchison, W. D. (Essex, Romf'd)
Inskip, Rt. Hon. Sir Thomas W. H.
Jackson, Sir Henry (Wandsworth, C.)
Joel, Dudley J. Barnato
Ker, J. Campbell
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Kirkpatrick, William M.
Knight, Holford
Law, Richard K. (Hull, S.W.)
Leech, Dr. J. W.
Lees-Jones, John
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Levy, Thomas
Lewis, Oswald
Liddall, Walter S.
Lindsay, Noel Ker
Little, Graham-, Sir Ernest
Lloyd, Geoffrey
Lockwood, John C. (Hackney, C.)
Lovat-Fraser, James Alexander
Lumley, Captain Lawrence R.
MacAndrew, Capt. J. O. (Ayr)
McCorquodale, M. S.
MacDonald, Rt. Hon. J. R. (Seaham)
MacDonald, Malcolm (Bassetlaw)
McEwen, Captain J. H. F.
McKie, John Hamilton
McLean, Major Sir Alan
Magnay, Thomas
Makins, Brigadier-General Ernest
Margesson, Capt. Rt. Hon. H. D. R.
Marsden, Commander Arthur
Mason, Col. Glyn K. (Croydon, N.)
Mayhew, Lieut.-Colonel John
Merriman, Sir F. Boyd
Mills, Major J. D. (New Forest)
Mitchell, Sir W. Lane (Streatham)
Molson, A. Hugh Elsdale
Moore-Brabazon, Lieut.-Col. J. T. C.
Moreing, Adrian C.
Morris, John Patrick (Salford, N.)
Morris, Owen Temple (Cardiff, E.)
Morris-Jones, Dr. J. H. (Denbigh)
Morrison, William Shephard
Muirhead, Major A. J.
Munro, Patrick
Nation, Brigadier-General J. J. H.
Newton, Sir Douglas George C.
Nicholson, Godfrey (Morpeth)
Nunn, William
O'Connor, Terence James
Patrick, Colin M.
Pearson, William G.
Peat, Charles U.
Percy, Lord Eustace
Petherick, M.
Peto, Geoffrey K.(W'verh'pt'n, Bilston)
Pickford, Hon. Mary Ada
Pike, Cecil F.
Pownall, Sir Assheton
Procter, Major Henry Adam
Pybus, Percy John
Raikes, Henry V. A. M.
Ramsay, T. B. W. (Western Isles)
Ramsbotham, Herwald
Ray, Sir William
Remer, John R.
Rentoul, Sir Gervais S.
Ropner, Colonel L.
Rosbotham, Sir Samuel
Runciman, Rt. Hon. Walter
Runge, Norah Cecil
Russell, Alexander West (Tynemouth)
Russell, Richard John (Eddisbury)
Rutherford, John (Edmonton)
Samuel, Sir Arthur Michael (F'nham)
Sandeman, Sir A. N. Stewart
Savery, Samuel Servington
Selley, Harry R.
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Shaw, Captain William T. (Forfar)
Simmonds, Oliver Edwin
Skelton, Archibald Noel
Slater, John
Smiles, Lieut.-Col. Sir Walter D.
Smith, Sir Jonah W. (Barrow-in-F.)
Smith, R. W.(Ab'rd'n & Kinc'dine, C.)
Smith-Carington, Neville W.
Smithers, Waldron
Somervell, Donald Bradley
Somerville, Annesley A. (Windsor)
Soper, Richard
Sotheron-Estcourt, Captain T. E.
Southby, Commander Archibald R. J.
Spears, Brigadier-General Edward L.
Spencer, Captain Richard A.
Stanley, Lord (Lancaster, Fylde)
Steel-Maitland, Rt. Hon. Sir Arthur
Storey, Samuel
Stourton, Hon. John J.
Strauss, Edward A.
Stuart, Lord C. Crichton-
Sueter, Rear-Admiral Murray F.
Sugden, Sir Wilfrid Hart
Summersby, Charles H.
Sutcliffe, Harold
Thomas, Rt. Hon. J. H. (Derby)
Thomas, James P. L. (Hereford)
Thomson, Sir Frederick Charles
Touche, Gordon Cosmo
Tryon, Rt. Hon. George Clement
Turton, Robert Hugh
Vaughan-Morgan, Sir Kenyon
Wallace, Captain D. E. (Hornsey)
Wallace, John (Dunfermline)
Ward, Lt.-Col. Sir A. L. (Hull)
Ward, Irene Mary Bewick (Wallsend)
Wardlaw-Milne, Sir John S.
Warrender, Sir Victor A. G.
Watt, Captain George Steven H.
Wayland, Sir William A.
Wedderburn, Henry James Scrymgeour-
Weymouth, Viscount
Whyte, Jardine Bell

Williams, Charles (Devon, Torquay)
Wills, Wilfrid D.
Wilson, G. H. A. (Cambridge U.)
Windsor-Clive, Lieut.-Colonel George
Winterton, Rt. Hon. Earl
Wood, Rt. Hon. Sir H. Kingsley
Worthington, Dr. John V.
Young, Rt. Hon. Sir Hilton (S'v'oaks)

TELLERS FOR THE AYES.—
Sir George Penny and Mr. Womersley.

NOES.

Acland, Rt. Hon. Sir Francis Dyke
Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Batey, Joseph
Bernays, Robert
Brown, C. W. E. (Notts., Mansfield)
Cove, William G.
Cripps, Sir Stafford
Daggar, George
Davies, Rhys John (Westhoughton)
Dobbie, William
Edwards, Charles
Foot, Dingle (Dundee)
George, Major G. Lloyd (Pembroke)
Greenwood, Rt. Hon. Arthur
Griffith, F. Kingsley (Middlesbro', W.)
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hamilton, Sir R.W.(Orkney & Z'tl'nd)
Harris, Sir Percy
Hicks, Ernest George
Hirst, George Henry
Holdsworth, Herbert
Hunter, Dr. Joseph (Dumfries)
Johnstone, Harcourt (S. Shields)
Jones, Henry Haydn (Merioneth)
Jones, Morgan (Caerphilly)
Lansbury, Rt. Hon. George
Lawson, John James
Logan, David Gilbert
Lunn, William
Macdonald, Gordon (Ince)
McEntee, Valentine L.
Mason, David M. (Edinburgh, E.)
Maxton, James
Milner, Major James
Nathan, Major H. L.
Parkinson, John Allen
Price, Gabriel
Rathbone, Eleanor
Rea, Walter Russell
Salter, Dr. Alfred
Samuel, Rt. Hon. Sir H. (Darwen)
Sinclair, Maj. Rt. Hn. Sir A.(C'thness)
Thorne, William James
Tinker, John Joseph
Wedgwood, Rt. Hon. Josiah
Williams, David (Swansea, East)
Williams, Edward John (Ogmore)
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)
Wood, Sir Murdoch McKenzie (Banff)
Young, Ernest J. (Middlesbrough, E.)

TELLERS FOR THE NOES.—
Mr. Janner and Mr. Groves.

6.23 p.m.

Sir P. HARRIS: I beg to move, in page 2, line 35, at the end, to insert the words:

> "Except where otherwise approved by the Minister on the recommendation of the local authority, every house to which this section applies shall be provided with a fixed bath."

This is a very modest proposal. It has already appealed to one of the Ministers, and I hope that it will appeal equally to the Minister of Health and that he will justify his title as Minister of Health by accepting it. I frankly tell the House that I have taken the words of the Amendment out of the 1923 Act in which they were inserted by the Chancellor of the Exchequer as the minimum of what was required as the national standard of a civilised home. It is desired that this symbol of civilisation should be secured to every future house constructed either by private enterprise or by local authorities. I say advisedly, "either by private enterprise or by local authorities" because local authorities, under the Act of 1925, were automatically required to put in a fixed bath unless the Minister said to the contrary. Of course, where, owing to insufficient water supply in the neighbourhood of, say, a rural district, it was not practicable, the Minister could exempt a house from this requirement. But in the ordinary way, every house under this scheme automatically will be required to have a bath.

I suggest that the right hon. Gentleman should accept the Amendment. I observe that he has left the Parliamentary Secretary in charge. The Act of 1923 was always known as the Chamberlain Act. Let this be known as the "Shakespeare bath," and he will go down for all time as the Minister who established, by Act of Parliament, the symbol of civilisation that a fixed bath should be provided in every working-class house. The Amendment cannot hurt the Bill. It will leave the right hon. Gentleman with power to exempt in necessary cases, and will do much to mollify some of the opposition to the Bill, which some people think is a reactionary Measure. At any rate, it will show that it is the object of the Government to set a good standard of what working-class accommodation should be.

6.27 p.m.

Mr. JANNER: I beg to second the Amendment.

I noticed the expression on the face of the Parliamentary Secretary when my hon. Friend was urging him to accept the Amendment, and I am induced by that fact to believe that he really desires to have the Amendment inserted. Whether the desire will be sufficiently strong to permit him to accept it, with possible pressure from without, I do not know, but I am sure that the House will consider that it is a very reasonable Amendment. We know the miserable conditions under which people have to live in some of the existing houses, and how those conditions are aggravated by the fact that there is not a fixed bath. There is no need for an hon. Member of this House to elaborate those difficulties, because any hon. Member who has taken the trouble to walk into some of the

[Mr. Janner.]

houses and has seen the conditions will know very well that a fixed bath is a desirable asset in a house for the accommodation of members of the working class.

I hope that this will not be regarded in any way in the nature of a frivolous Amendment. On the contrary, the real use to which a bath can and should be put in working-class houses should commend itself to the Minister, and he should realise that the difficulties which have existed hitherto in houses where a fixed bath is not provided are sufficiently serious to allow him to insert the Amendment in the Bill. Hon. Members who have had the fortune or misfortune to visit houses in mining districts will know how essential the proposed proviso is for the benefit of the people who have to work underground. It is equally important for all other members of the working class. In those circumstances, I do not think that any further weight of argument is needed to convince, if not the Minister or the Parliamentary Secretary, the Members present that they ought to vote for an Amendment of this description.

6.30 p.m.

The PARLIAMENTARY SECRETARY to the MINISTRY of HEALTH (Mr. Shakespeare): I can assure the hon. Member for Whitechapel (Mr. Janner) that no one could consider this Amendment frivolous. If we do not accept it, it is not because it is frivolous, but because we think it is absolutely unnecessary. I cannot help feeling that the hon. Member for South-West Bethnal Green (Sir P. Harris) moved the Amendment with by-election eyes. He wants to be able to say: "I am the man who gave you a bath." I should like to associate my name with a new bath in every house, but I am mindful of the fact that a poet of my name might have said that "a bath in any other room would smell as sweet." The acceptance of this Amendment will make absolutely no difference to the provision of a bath. The point is, ought the matter to be left to the discretion of the Minister or should there be an express provision in the Bill? We say that it is far better to leave it to the discretion of the Minister.

I feel as strongly as the hon. Baronet, or as the hon. Member for Whitechapel, or as any other hon. Member that the provision of a bath in a working-class house is absolutely essential. Imagine what would happen in an urban area if a builder who was building several hundred houses went to the local authority for a guarantee and said: "I am building these houses, but there are no baths." Would the local authority give the guarantee? Of course, they would not. Would the building society give its guarantee? Of course, it would not. In regard to an urban area in my constituency or in any other constituency would the Minister give his guarantee in respect of houses where there was no bath? No. I suggest that this is one of those showy Amendments of which the Noble Lord the Member for Hastings (Lord E. Percy) spoke, which make no difference to the actual situation. Why should you pick out a bath? Why should you not insist on an Amendment saying that artificial light should be provided? Why not say that every house must have a sink?

Sir P. HARRIS: That is provided for already in the Act of 1923.

Mr. KIRKWOOD: They would have intelligence to put in a sink but might not have intelligence enough to put in a bath.

Mr. SHAKESPEARE: The hon. Member for Dumbarton Burghs (Mr. Kirkwood) has put his finger on the point as he often does. It is no more necessary to put down an Amendment that every house should have a bath than to put down an Amendment that every house should have a sink. Baths are essential under modern conditions. If houses from the point of view of a future tenant in an ordinary urban area were provided without baths——

Mr. LANSBURY: They are doing it now.

Mr. SHAKESPEARE: The object is to provide houses which will attract tenants.

Mr. LANSBURY: They are building houses now without baths.

Mr. SHAKESPEARE: I should be glad to know where they are doing it, except in a very rare case of a rural area where there is no water supply, and where if ou had a bath you would have nothing o put in it except coal. You can do two things under this Bill. You can ither assume that common sense will prevail, or you can take the opposite iew and tie it up with barbed wire or ed tape and insist that everything hould be put down in the Bill, such as he provision of sinks, baths, electric ight, and so on. If you say that there must be a bath, a fixed bath, then I have no doubt that if we accepted that Amendment we might have another Amendment hat there must be a fixed soap dish, and that not more than three people must use the bath at the same time. We ay that one condition is essential, and hat is that these houses shall be intended to be let to members of the working class. That is the only condition on which we insist. Any other restriction which is a matter of common sense is unnecessary. In point of fact a local authority, a building society, or the Minister in giving a guarantee will see so it that modern houses are up to the ordinary decent amenities of life. For these reasons, not because the Amendment is frivolous but because it is unnecessary, the Government ask the House not to accept it.

6.38 p.m.

Mr. CHARLES BROWN: I am astonished at the speech to which we have just listened, because at an earlier stage we brought forward an Amendment to secure, in general terms, the amenities of these houses which will be erected under the Bill, and the Parliamentary Secretary said that that Amendment was unnecessary, just as he has told us in more specific and definite terms that the present Amendment is unnecessary. He treated both Amendments in exactly the same way, on the assumption that all the houses that are going to be built under this Bill will necessarily have in them all the amenities which one has come to regard as necessary for the working classes in 20th century civilisation. We can find nothing in the Bill guaranteeing that set of conditions when these houses are erected. The Parliamentary Secretary told us that it is only in rural areas where there is no water supply that houses are erected nowadays without a fixed bath. I am afraid that he is wrong. He ought to make more exhaustive inquiries. I know of an urban district in my own area where only a month ago plans were passed for houses in which there were to be no fixed baths. That was an urban district in the county of Nottingham.

If the Parliamentary Secretary does make inquiries he will find that in more places than one plans are submitted to the local authorities in which there is no provision for any fixed bath, and as the local by-laws probably make no provision to the contrary such houses are being built. We say most emphatically that where you are giving a State guarantee to the speculative builder who is to put up houses which the working classes are to inhabit, we have a right to say that that builder shall include a fixed bath, which is one of the most essential features of a house for the working class. The Parliamentary Secretary agrees with me on that matter. We want to be sure that when these houses are put up they will have baths in them. Nothing that the Parliamentary Secretary has said proves clearly to me that that will be the case. I hope the House will have no hesitation in supporting the Amendment.

6.40 p.m.

Mr. HOLDSWORTH: After listening to the Parliamentary Secretary hon. Members must feel convinced that there is something more in the opposition to the Amendment than the statement that it is not necessary to put these words in the Bill. If it is essential that every house should have a fixed bath, what harm could be done to the Bill by accepting the Amendment? I cannot understand the refusal. I know that there is a desire on the part of some directors of building societies—here I am speaking with absolute knowledge—that they should not have these words in the Bill, so that they will be able to leave out the provision of a bath. There can be no question about that. The Parliamentary Secretary said that it was unnecessary to put in these words, and in the next breath he asked the House to give discretion to the Minister. Why should the Minister want discretion as to the necessity of a bath being provided? If the Parliamentary Secretary is consistent in his argument that a bath is necessary, I ask him to agree to put these words in the Bill. Then we shall be certain that a bath will be provided. It is not a mere question of the Minister

[Mr. Holdsworth.]

carrying out the Act. Certain conditions will have to be fulfilled before permission is given for the building of the houses. The present Minister of Health and the present Parliamentary Secretary will not occupy those position for ever. It may be Socialist Ministers who will occupy them. If this is a Bill under which houses are to be built, let us make certain that whoever occupies the Government Bench a fixed bath will be provided in the houses.

6.42 p.m.

Mr. HICKS: I associate myself with the Amendment, and I am astonished, as are other hon. Members, at the reply of the Parliamentary Secretary that the Amendment is not necessary. The experience that we have of working-class houses in this country is that 75 per cent. have not a bath. I am speaking of the way that private enterprise has catered for the working classes so far as baths are concerned. Now that we are getting back to relatively unrestricted private enterprise, where sometimes they will not have to get the sanction of the Ministry of Health as to building, the question of the provision of a fixed bath may not always come before the Minister for sanction. I have lived in houses with no bath accommodation. I heard the Parliamentary Secretary the other day refer to the fact that there were some parts of the country where water was not sufficient to fill a bath. In a climate like ours there are surely two or three chances a year of filling a bath. To use such an argument that there should not be a fixed bath under such conditions is preposterous. It should be the duty of the Minister of Health to arrange to convey water if it is not available, rather than the Parliamentary Secretary should say that people should not have a bath under those conditions.

Some hon. Members have referred to mining villages, where there has been no bath accommodation. I have been in those houses. I have seen the men come from their work. I have seen a man sitting in the tub while the woman has been preparing the food and the children have been playing about in the kitchen. I have seen them all in one room, with the man in the tub, and when he has got out of the tub other members of the family have had to sit in the tub. If we pass this Amendment, we want to propose that not only should there be a fixed bath, but that there should be a bathroom. If in the Act of 1923 it was provided that there should be a bath, why in 1933 should there not be a bathroom? is it not decent where you have different members of the family, boys and girls, that there should be adequate opportunity for the members of the family to be able to have a bath without being in sight of each other? To resist such an Amendment as this indicates that there is an attitude of mind towards housing betterment that is not well for the working classes.

Reference has been made to the possibility that the present Minister of Health will not always be in that position. If this is the attitude of mind of the right hon. Gentleman towards this problem, I hope he will not be in his office very long. I suggest that we cannot allow a matter of this kind to go. We want to make quite sure that any house which receives any sort of subsidy or support from public money shall have a bath. We also want to have a fixed bath, and we also think that every house should be provided with a bathroom.

6.46 p.m.

Sir F. FREMANTLE: I must confess that I am still unconvinced by the arguments put forward by the Parliamentary Secretary. I am voicing the opinion of the whole body of medical officers of health throughout the country in saying that every house should have a bath. During the last 30 years the standard of housing has changed, and while it may be possible to reduce some of the standards to which we have grown accustomed since the War without doing any harm, a bath, and that means a fixed bath, is absolutely essential so far as public health is concerned. There is not a person connected with public health administration anywhere, official or unofficial, who does not agree that for the rising generation it is absolutely necessary that every house should have a bath. I do not say that it should necessarily be a fixed bath. I have filled my own tub with cold water and got into it, and enjoyed it. I think everyone should be able to get into a bath of cold water and soak. Some of us have grown up without a bathroom and have had to put the bath in the cellar and in various other places, in the kitchen, or the scullery.

The essential thing is that a bath should be provided. It is all very well for officialdom to say that they will be provided. I have had a long experience of local authorities, I do not speak in the main of big municipal undertakings, but of the smaller councils, those who are not in the public eye, and it sometimes happens that things do slip through in certain circumstances, and I am afraid that unless it is clearly indicated that a bath must be provided this might slip through. Such a matter should not be left to local authorities. I have some experience as to their indulgence. I am speaking now of the smaller urban authorities, where there is not the same hold over the private builder as there is in the case of the large municipalities. I think the provision of a fixed bath—I do not go so far as to say bathroom—is necessary, and I hope the Government will reconsider their attitude.

6.50 p.m.

Mr. EDWARD WILLIAMS: We welcome the support of the hon. Member for St. Albans (Sir F. Fremantle), and we hope that the Minister of Health will be impressed by his remarks. It is obvious that the inability of the Parliamentary Secretary to accept the Amendment indicates the standard of houses in which the working classes are to live. I disagree with some of the remarks of the hon. Member for St. Albans, but I do not desire to enter into an argument with him, except to say that he has not lived in houses of the kind which miners are obliged to occupy. One of the most disgraceful things in this country is the fact that 99 out of every 100 miners employed to-day are obliged to wash before the fire in the family kitchen. For more than 12 years I was obliged as a working miner to do that with the whole of my family in the kitchen, mother, father, and the other children. For more than 35 years my father was obliged to do the same. It is a standing disgrace, and if we have any ethical regard for our people it is something which we should not countenance for any length of time.

The Parliamentary Secretary has certainly shown enormous faith in private enterprise. He fails to appreciate the fact that there are jerry builders to-day; that there are people who will economise at the expense of the absolute necessities and amenities of the people, and I trust that having had an expression of opinion from his own side and from Liberal Members, as well as ourselves, he will realise the necessity of including the Amendment in the Bill. We consider the proposal absolutely essential not only for ethical purposes but for sanitary purposes also. I heard the reference of the Parliamentary Secretary to places where clean water does not exist. That, I say, is a standing reflection on the Ministry of Health, and ought to be remedied at once. There should be not only a bath but a bathroom as well. A large number of mothers, particularly in mining districts, are suffering from scalds from water which they had to lift on to the hob to boil in time for their husband's and sons to wash on their return from the mine. That is also something which calls for immediate attention. In South Wales a large number of our women-folk and their children have been scalded and are suffering from permanent injuries, because baths have not been installed in their homes. I hope the Parliamentary Secretary will reflect and indicate to us that he is prepared to accept the Amendment.

6.54 p.m.

Mr. PIKE: I hope that the Amendment will be accepted. The hon. Member for South-West Bethnal Green (Sir P. Harris) said that he had extracted the wording of the Amendment from the 1923 Act. If it was in the 1923 Act, I see no reason why it should not be in the present Bill. It is not satisfactory to say that local authorities and the Minister of Health, or building societies, who are to be responsible for the financing of these schemes, would not accept a scheme unless there was provision for baths. I come from a working-class dwelling and I know that they have suffered considerably from a lack of bath accommodation. In view of the doubt as to whether baths will be provided under the Bill as it stands, I hope the Minister will accept the Amendment. I think the statement of the hon. Member for Ogmore (Mr. E. Williams) that 99 per cent. of the miners of this country lack facilities for baths should be corrected. I agree that in a large number of miners' houses there is

[Mr. Pike.]

no such accommodation, but in the vast majority of pits there are pithead baths provided.

Mr. E. WILLIAMS: The hon. Member cannot have seen the returns from the Central Welfare Association as to the number of pithead baths that have been provided.

Mr. PIKE: If I said the majority, I withdraw that expression, but to a large degree these facilities do exist, and, in addition, on the large housing schemes which have been carried out in colliery districts during the past 10 years provision has been made for baths. I use this fact also as another reason why the Amendment should be accepted by the Government. A bath to-day is not only one of the necessary amenities of life; it is also a fact that a bath in a working-class dwelling gives an entirely new outlook not only for the parents but for the children as well. It gives them a new outlook on education. If a bath is installed and children are clean, they look upon life and the things of life in a much cleaner spirit than they would do when they lack these facilities. In view of the fact that the Amendment will not embarrass the Government, or prevent housing schemes being carried out according to the desires of the Minister of Health, and, further, that it will not prevent private enterprise providing the people of this country with a sufficient number of new houses at an economic price, I hope the Government will accept the proposal.

6.57 p.m.

Mr. SLATER: I should like to support the Amendment, and I hope that it will be pressed upon the Minister. I do not propose to repeat the arguments that have been already used, but to direct the attention of the right hon. Gentleman to something which I think he should really understand. The proposal in the Bill is in my view a retrograde step, and will bring about a good deal of regret among one very live industry in this country. I refer to the sanitary industry. Professor Clay, dealing with unemployment, has pointed out clearly that one of our greatest tasks to-day is to create new industries, and to extend them, and he particularly mentioned the sanitary engineering industry in this country. Is it right for the Minister of Health to give a licence to any locality, or to any builder, to omit this absolute necessity in the homes of working classes? I say that the right hon. Gentleman is going to create a great deal of trouble for himself hereafter from an employment point of view. We are fighting for our position in the world's markets, where we used to have a primary position in the supply of sanitary wares. I make no excuse for saying this. I am in that business myself, and I say that His Majesty's Government ought to encourage this industry above everything else. We cannot encourage it on middle-class incomes or wealthy incomes, but we can encourage it, and make manufacturing possible, if it is based on a demand for bathrooms in working-class homes. That is how we shall get our power, not only to make sanitary wares cheaply in this country, but to meet competition abroad. It is because I realise the importance of employment in this country, and because I subscribe to everything said on both sides of the House, that I feel that the Minister of Health should accept this Amendment.

7 p.m.

Sir H. YOUNG: We have had expressions of opinion from three sides of the House, and the hon. Member for Eastbourne (Mr. Slater), looking at it from a new point of view, has given prominence to the subject of employment. I am not sure I could quite follow the argument of the hon. Member for St. Albans (Sir F. Fremantle), who gave us such interesting reminiscences. At first I thought he was prepared to have houses without baths, but his second thoughts were in favour of the acceptance of the Amendment. In view of the course which the Debate has taken, the Government will accept the Amendment. I confess that, as I listened to the argument of the Parliamentary Secretary, I thought that in common sense and prudence it was entitled to prevail. His argument was that it was the accepted standard in decent house building that there should be a bath. He spoke of what we know and what is going to be done. With this, I may say, the Parliamentary Secretary entirely agrees. It was stated by me, on the Second Reading, that one of the principles of this new housing era was to be that the standard of national housing was not to be relaxed with the assent of the Government.

If, in the opinion of the House, it is necessary in order to secure the particular results to which the Parliamentary Secretary referred, to have a statutory provision with relation to baths, let us have it. It must be subject to the discretion of the Minister to remit the requirement in proper cases. The hon. Member who spoke last, referred to those cases, mentioned by the Parliamentary Secretary, in which a bath is not possible. These cases do exist. I propose to accept the Amendment, subject to any necessary revision of the wording in another place.

7.4 p.m.

Mr. GREENWOOD: I beg to move, as an Amendment to the proposed Amendment, at the end, to add the words "in a bathroom."

I believe this is the first occasion on which we have had an Amendment of importance accepted. I am sure hon. Members of the House will welcome it. I should like the Minister to go a little further, because the Amendment permits a discretion which I do not wish to see. I do not agree that, because there is no fixed water supply, there should be no fixed bath. I think that a fixed bath in a bath room should be provided. In 1924 we fought this out in the House. It has been accepted and operated for nine years. If private enterprise is to do this job properly, then it ought to provide a fixed bath in a bath-room. Seeing that the right hon. Gentleman has some doubts himself about this, and has agreed to accept the Amendment, I hope he will also accept what is now the law of the land and agree to these words being added.

7.5 p.m.

Sir H. YOUNG: The answer to the right hon. Gentleman's question is in the negative. I will approach the bath with him, but I will not enter the bathroom. I think we have done all that is practicable and sensible in accepting the Amendment. In going further we should go too far, and have too great a degree of elaboration.

Question put, "That those words be there added to the proposed Amendment."

The House divided: Ayes, 39; Noes, 263.

Division No. 69.] **AYES.** [7.6 p.m.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Brown, C. W. E. (Notts., Mansfield)
Cocks, Frederick Seymour
Cove, William G.
Cripps, Sir Stafford
Daggar, George
Davies, David L. (Pontypridd)
Davies, Rhys John (Westhoughton)
Dobbie, William
Edwards, Charles
Graham, D. M. (Lanark, Hamilton)
Greenwood, Rt. Hon. Arthur
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Hicks, Ernest George
Hirst, George Henry
Jones, Morgan (Caerphilly)
Kirkwood, David
Lansbury, Rt. Hon. George
Lawson, John James
Logan, David Gilbert
Lunn, William
McEntee, Valentine L.
Maclean, Neil (Glasgow, Govan)
Maxton, James
Milner, Major James
Nathan, Major H. L.
Parkinson, John Allen
Price, Gabriel
Salter, Dr. Alfred
Thorne, William James
Tinker, John Joseph
Williams, David (Swansea, East)
Williams, Edward John (Ogmore)
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE AYES.—
Mr. G. Macdonald and Mr. Groves.

NOES.

Acland, Rt. Hon. Sir Francis Dyke
Acland-Troyte, Lieut.-Colonel
Agnew, Lieut.-Com. P. G.
Albery, Irving James
Allen, Sir J. Sandeman (Liverp'l, W.)
Atkinson, Cyril
Balfour, George (Hampstead)
Balfour, Capt. Harold (I. of Thanet)
Balniel, Lord
Barclay-Harvey, C. M.
Beauchamp, Sir Brograve Campbell
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Benn, Sir Arthur Shirley
Bernays, Robert
Birchall, Major Sir John Dearman
Blindell, James
Boulton, W. W.
Bower, Lieut.-Com. Robert Tatton
Bowyer, Capt. Sir George E. W.
Bracken, Brendan
Braithwaite, J. G. (Hillsborough)
Briscoe, Capt. Richard George
Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Col. D. C. (N'th'l'd., Hexham)
Brown, Ernest (Leith)
Brown, Brig.-Gen. H. C. (Berks., Newb'y)
Buchan-Hepburn, P. G. T.
Burnett, John George
Campbell, Edward Taswell (Bromley)
Campbell, Vice-Admiral G. (Burnley)
Campbell-Johnston, Malcolm
Caporn, Arthur Cecil
Cautley, Sir Henry S.
Cayzer, Sir Charles (Chester, City)
Cazalet, Thelma (Islington, E.)
Chamberlain, Rt. Hon. N. (Edgbaston)
Chapman, Sir Samuel (Edinburgh, S.)
Clarke, Frank
Clarry, Reginald George
Cobb, Sir Cyril
Colfox, Major William Philip
Collins, Rt. Hon. Sir Godfrey
Colville, Lieut.-Colonel J.
Conant, R. J. E.
Cooke, Douglas
Cooper, A. Duff
Cowan, D. M.
Craddock, Sir Reginald Henry
Craven-Ellis, William
Crooke, J. Smedley
Crookshank, Col. C. de Windt (Bootle)
Croom-Johnson, R. P.
Crossley, A. C.
Davies, Maj. Geo. F. (Somerset, Yeovil)
Davison, Sir William Henry
Denman, Hon. R. D.

Oenville, Alfred
Donner, P. W.
Duckworth, George A. V.
Dugdale, Captain Thomas Lionel
Duncan, James A. L. (Kensington, N.)
Dunglass, Lord
Eales, John Frederick
Elliot, Major Rt. Hon. Walter E.
Elliston, Captain George Sampson
Emrys-Evans, P. V.
Entwistle, Cyril Fullard
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Evans, David Owen (Cardigan)
Evans, Capt. Ernest (Welsh Univ.)
Foot, Dingle (Dundee)
Ford, Sir Patrick J.
Fox, Sir Gifford
Ganzoni, Sir John
George, Major G. Lloyd (Pembroke)
Gillett, Sir George Masterman
Gilmour, Lt.-Col. Rt. Hon. Sir John
Glossop, C. W. H.
Gluckstein, Louis Halle
Glyn, Major Ralph G. C.
Goff, Sir Park
Goodman, Colonel Albert W.
Gower, Sir Robert
Grattan-Doyle, Sir Nicholas
Greaves-Lord, Sir Walter
Gretton, Colonel Rt. Hon. John
Griffith, F. Kingsley (Middlesbro', W.)
Grimston, R. V.
Gunston, Captain D. W.
Hacking, Rt. Hon. Douglas H.
Hales, Harold K.
Hamilton, Sir George (Ilford)
Hamilton, Sir R. W. (Orkney & Zetl'nd)
Hanbury, Cecil
Hannon, Patrick Joseph Henry
Hartington, Marquess of
Harvey, Major S. E. (Devon, Totnes)
Haslam, Sir John (Bolton)
Headlam, Lieut.-Col. Cuthbert M.
Heligers, Captain F. F. A.
Henderson, Sir Vivian L. (Chelmsf'd)
Herbert, Capt. S. (Abbey Division)
Holdsworth, Herbert
Hope, Capt. Hon. A. O. J. (Aston)
Hopkinson, Austin
Hornby, Frank
Horobin, Ian M.
Horsbrugh, Florence
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M. (Hackney, N.)
Hume, Sir George Hopwood
Hunter, Dr. Joseph (Dumfries)
Hutchison, W. D. (Essex, Romf'd)
Jackson, Sir Henry (Wandsworth, C.)
Jamieson, Douglas
Joel, Dudley J. Barnato
Johnstone, Harcourt (S. Shields)
Jones, Henry Haydn (Merioneth)
Ker, J. Campbell
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W
Kirkpatrick, William M.
Knight, Holford
Law, Richard K. (Hull, S.W.)
Leech, Dr. J. W.
Lees-Jones, John
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Levy, Thomas
Lewis, Oswald
Liddall, Walter S.
Lindsay, Noel Ker
Little, Graham-, Sir Ernest
Lockwood, John C. (Hackney, C.)
Lovat-Fraser, James Alexander
Lumley, Captain Lawrence R.
Mabane, William
MacAndrew, Capt. J. O. (Ayr)
McCorquodale, M. S.
MacDonald, Rt. Hon. J. R. (Seaham)
MacDonald, Malcolm (Bassetlaw)
Macdonald, Sir Murdoch (Inverness)
McEwen, Captain J. H. F.
McKie, John Hamilton
Maclay, Hon. Joseph Paton
McLean, Major Sir Alan
Magnay, Thomas
Makins, Brigadier-General Ernest
Margesson, Capt. Rt. Hon. H. D. R.
Marsden, Commander Arthur
Mason, David M. (Edinburgh, E.)
Mason, Col. Glyn K. (Croydon, N.)
Mayhew, Lieut.-Colonel John
Merriman, Sir F. Boyd
Mills, Major J. D. (New Forest)
Molson, A. Hugh Elsdale
Moore-Brabazon, Lieut.-Col. J. T. C.
Moreing, Adrian C.
Morris, Owen Temple (Cardiff, E.)
Morris-Jones, Dr. J. H. (Denbigh)
Morrison, William Shepherd
Muirhead, Major A. J.
Munro, Patrick
Nall, Sir Joseph
Nation, Brigadier-General J. J. H.
Newton, Sir Douglas George C.
Nicholson, Godfrey (Morpeth)
Nunn, William
O'Connor, Terence James
O'Donovan, Dr. William James
Patrick, Colin M.
Pearson, William G.
Peat, Charles U.
Percy, Lord Eustace
Perkins, Walter R. D.
Petherick, M.
Pickford, Hon. Mary Ada
Pike, Cecil F.
Pownall, Sir Assheton
Pybus, Percy John
Raikes, Henry V. A. M.
Ramsay, T. B. W. (Western Isles)
Ramsbotham, Herwald
Rankin, Robert
Rathbone, Eleanor
Ray, Sir William
Rea, Walter Russell
Remer, John R.
Rentoul, Sir Gervais S.
Rosbotham, Sir Samuel
Ross Taylor, Walter (Woodbridge)
Rothschild, James A. de
Runge, Norah Cecil
Russell, Alexander West (Tynemouth)
Russell, Richard John (Eddisbury)
Rutherford, John (Edmonton)
Rutherford, Sir John Hugo (Liverp'l)
Salt, Edward W.
Samuel, Sir Arthur Michael (F'nham)
Samuel, Rt. Hon. Sir H. (Darwen)
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Sanderson, Sir Frank Barnard
Savery, Samuel Servington
Selley, Harry R.
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Shaw, Captain William T. (Forfar)
Simmonds, Oliver Edwin
Simon, Rt. Hon. Sir John
Sinclair, Maj. Rt. Hn. Sir A. (C'thness)
Skelton, Archibald Noel
Slater, John
Smith, Sir Jonah W. (Barrow-in-F.)
Smith, R. W. (Aberd'n & Kinc'dine, C.)
Smith-Carington, Neville W.
Smithers, Waldron
Somervell, Donald Bradley
Somerville, Annesley A. (Windsor)
Soper, Richard
Sotheron-Estcourt, Captain T. E.
Southby, Commander Archibald R. J.
Spears, Brigadier-General Edward L.
Spencer, Captain Richard A.
Stanley, Lord (Lancaster, Fylde)
Storey, Samuel
Stourton, Hon. John J.
Strauss, Edward A.
Sueter, Rear-Admiral Murray F.
Sugden, Sir Wilfrid Hart
Summersby, Charles H.
Sutcliffe, Harold
Thomas, James P. L. (Hereford)
Thomson, Sir Frederick Charles
Thorp, Linton Theodore
Todd, A. L. S. (Kingswinford)
Touche, Gordon Cosmo
Tryon, Rt. Hon. George Clement
Turton, Robert Hugh
Vaughan-Morgan, Sir Kenyon
Wallace, Captain D. E. (Hornsey)
Wallace, John (Dunfermline)
Ward, Lt.-Col. Sir A. L. (Hull)
Ward, Irene Mary Bewick (Wallsend)
Ward, Sarah Adelaide (Cannock)
Warrender, Sir Victor A. G.
Watt, Captain George Steven H.
Wedderburn, Henry James Scrymgeour-
Weymouth, Viscount
Whiteside, Borras Noel H.
Whyte, Jardine Bell
Williams, Charles (Devon, Torquay)
Wills, Wilfrid D.
Wilson, G. H. A. (Cambridge U.)
Windsor-Clive, Lieut.-Colonel George
Winterton, Rt. Hon. Earl
Wise, Alfred R.
Wood, Sir Murdoch McKenzie (Banff)
Worthington, Dr. John V.
Young, Rt. Hon. Sir Hilton (S'v'noaks)
Young, Ernest J. (Middlesbrough, E.)

TELLERS FOR THE NOES.—Sir George Penny and Mr. Womersley.

Proposed words there inserted in the Bill.

7.16 p.m.

Sir H. YOUNG: I beg to move, "That the Bill be now read the Third time."

The Committee stage of the Bill has not lasted a long time, for the obvious reason that the provisions of the Bill are short and succinct. The purpose of the Bill has clearly emerged in our discussion. The purpose is the adaptation of our housing policy to the changing needs of the time. It is an adaptation to what we all agree and know are the two chief housing needs of the nation, a better and fuller supply of small houses for the working classes, and a swifter and more efficient remedy for the deep-seated evil of the slums. The policy of the Bill on that first matter has been clearly explained and clearly understood by the House. It is that we should take advantage of the changes in the times to restore to their normal activity those normal forces which alone throughout history have been adequate to provide humanity with its chief wants.

As to this matter of the provision of a sufficient number of small houses to be let to the working classes, if we look back at the recent history of housing we shall see without doubt that the system of subsidies has been substantially a failure. It has great successes in other directions to its credit. It has provided many fine housing estates; it has established new standards of housing. But for this urgent, this basic need for the supply of small houses to be let, the system of subsidy has failed. Now, after 14 years of operation, we still lack that essential supply. No doubt during the period during which subsidies have been in operation, we have, until recently, necessarily had a second best. Building costs have been such that it has been impossible to provide the supply of the smaller houses that we needed without subsidy, and so we have had to struggle and stagger along with the second best of the subsidy system imposed upon us by the height of building costs.

But surely it stands to reason that an alert nation and Government should be on the watch to take the very first opportunity that occurs of passing on from that unsatisfactory second best to a more effective system. That is what this Bill proposes to do. We seize the opportunity of the fall in building costs and the great fall in the price of capital for investment to look forward to a more fertile and more productive epoch in housing, one in which those larger forces to supply our wants may be brought into play—forces which have been so long checked by the insuperable obstacle of the competition of subsidised houses. We clear a great obstacle from the path of supply, the obstacle of subsidised competition. We bring into play all those forces which, when they are allowed free play, make for the further reduction of costs. With these forces to help us we look forward with an optimism that I believe not to be unjustified, to a more fortunate and more successful epoch in the provision of this need.

We have a second line behind the line of private enterprise. We release the forces of private capital and enterprise and initiative for our assistance by the abolition of subsidised competition. Behind that we still have a second line. We have the line of the local authorities, and their liability and duty still to attend to the housing needs of their localities. That remains in a manner that it is possible to encourage more freely in the future than in the past. We have established, in the course of these Debates, particularly on Second Reading, that it is within the possibility of local authorities, with building costs and the price of money at their present level, to provide houses at rents which are already within a few pence—3d., 4d. or 5d.—of the normal rent which was fixed as the ideal for the 1924 subsidies. We therefore can rely upon this force as our second line of defence.

A rumour spread that it was the intention of the Government and of the Ministry of Health deliberately to discourage the putting forward of schemes by local authorities for building without subsidy. In that there is not a word of truth. On the contrary we shall rely upon them as a second line of defence. Then there is the second Clause of the Bill, the building society scheme. As the House will remember, this has never been put forward by the Government as an essential part of its housing plan. It has been put forward as a valuable aid in the promotion of that free play of the forces of private enterprise which is in itself an essential part of the plan. It is a little practical step which may have great results. It is little because the guarantee and the State liability are small. The potential results are great because there can be no finer service that we can do for housing than to secure the services of the millions available in the hands of the building societies and to secure them at the rate at which the building societies have declared their willingness to lend them. I believe it to be an absolutely incontrovertible proposition that it would be impossible from any other source at the present time to obtain so free a supply of capital at such a low rate of interest. Further, this supply of capital which we have obtained is available in the hands of those who know how to use it, who are acquainted with the building

[Sir H. Young.]

trade and know the housing need of the people.

Some doubt has been cast, in the course of our discussions, upon the willingness of the building societies to discharge their part under the plan put forward in Clause 2. There is no doubt at all of that. It is a plan put forward voluntarily by the building societies. It was their own suggestion. It was framed quite frankly by them to meet their own particular needs, which they believe are in accordance with the needs of the country. As a matter of fact it has been said by one speaker in the Debates that there are only three societies willing to fulfil the scheme. That is not so. I have been in touch with nine societies who are prepared to operate the scheme, and those nine societies have capital assets of the value of £150,000,000. The House will see therefore that we have enlisted powerful forces.

Let me refer to the review of the new conditions which is about to be undertaken by the committee appointed to-day. The committee is to review whether it is possible to make use of the services of public utility societies. It is to review the ideas which are in the air about a housing corporation on a large scale. It will review whether additional powers should be granted in that direction, subject to this condition: There is no question of replacing the direct subsidies which we to-day terminate, by any indirect subsidy. That would indeed be to have the worst of both worlds, to drive subsidies out of the door and let them come back by the window. Indirect subsidies would have an even more powerful effect than direct in discouraging private enterprise and there would be also a large loss of a weapon for the encouragement of municipal enterprise.

Let me turn from that aspect to the attendant aspects which have occupied much attention in the House. When I introduced this Bill I said that the occasion of this Bill was the occasion of a declaration of war by this House and by the nation against the slums. To-night I will give some further and more particular account of the plan of campaign by which that war is to be carried on. Since those expressions of mine upon Second Reading we have seen a remarkable demonstration of public opinion upon this subject all over the country, an expression of public opinion so strong, so warm, as to leave no doubt at all in the minds of any what the resolution of the country is. The Press has declared war on the slums in a determined and effective way. There is a clear demand for action. What action is proposed?

It is no wonder that there should be a demand for action if we think of the history of the matter. It is 60 years since the first provision was made by Statute for slum clearance, and in all that 60 years the average annual rate of persons affected by the demolition of slums has been less than 3,000. It is 14 years since a subsidy was first devoted to the purpose of slum clearance, and in all those 14 years the number of houses affected by demolitions has been no more than 15,000, a few more than 1,000 a year. There has been no progress adequate to the evil. One is justified in saying that subsidies so far have succeeded only in scratching the surface of the evil of the slums.

The programme which I have now to announce has for its basis that there shall be no more delay, that we will stand no more trifling with this problem of the slums. The action that is proposed is as follows: I propose forthwith as Minister of Health to call upon every local authority that is a housing authority to prepare a survey of its area from the point of view of slums. I do not want to go too much into detail, but there are some circumstances as regards the survey and its consequences which I will mention to the House. I propose to call on every local authority that is a housing authority to follow up that fresh survey with a programme for the abolition of the slums which are revealed by the survey. As I say, I have no wish to go into details on this occasion, but I may give two particulars as regards these programmes. It will be suggested that in these programmes the areas shall be defined which can be dealt with by reconditioning and that as distinct from these, the area shall also be defined which can only be dealt with by the more radical remedy of clearance. We know that the worst of the evil can only be dealt with by clearance and not by re-conditioning. We propose that the programmes which are to be prepared following the survey shall establish those two categories, namely, areas for clearance and areas for re-conditioning.

Now we come to the essential. It will be suggested and required that the programme shall state the period within which each of these areas will be dealt with, that is the programmes shall definitely provide a date for the clearing of the clearance areas and the date at which re-conditioning shall be undertaken. It may be that the programme will also provide that where in a re-conditioning area the effects of re-conditioning are exhausted that area should become a clearance area.

Mr. LANSBURY: On a point of Order. The question often arises during a Debate of this character as to what is in order and what is not. The Minister is now making a statement of public policy which appears to me to be outside the scope of the Bill. I wish to know whether we should be allowed in the further stages of this Third Reading Debate to discuss the right hon. Gentleman's proposals?

Mr. SPEAKER: I understood that the Minister was stating certain things which he proposed to do under the Bill. Of course, anything outside the scope of the Bill would be out of order. Perhaps the Minister will confirm me on the point that the matters with which he is dealing are not outside the Bill.

Lieut.-Colonel Sir JOSEPH NALL: Is it not the case that the clearances to which the Minister has referred can not be proceeded with unless the provisions of this Bill are proceeded with at the same time, and therefore the two matters are related.

Mr. SPEAKER: Perhaps the Minister of Health will confirm me on that point, namely, that what he now proposes comes under the provisions of the Bill.

Sir H. YOUNG: It is the case, Mr. Speaker, that the action to which I am now referring would only be possible if this Bill were passed and is a necessary consequence of the Bill. As the House will remember, it has been necessary at different stages of the Bill to link up these matters and to have regard both to the question of the subsidy and also to the question of what is proposed as regards dealing with existing conditions.

Mr. SPEAKER: In that case the Minister's remarks seem to be in order.

Mr. LANSBURY: I am satisfied so long as I know that we shall be entitled to discuss these matters, but we very often have a position of some doubt arising on a point of this kind. It may be that there will be someone in the Chair who has not heard the previous discussion, and the question may arise subsequently of whether we are in order or not.

Mr. SPEAKER: That is a position that I am just as anxious to avoid as the right hon. Gentleman. It is for him, as it is for others, not to enter upon the discussion of matters which are not in order, but if hon. Members confine themselves to the discussion of actions which can only be taken if this Bill becomes an Act of Parliament, then that seems obviously to be quite in order.

Major MILNER: I submit that the Minister's statement is not in order. He is dealing with something which has never been mentioned before in these discussions. He states that he proposes, not as a consequence of the Bill but as an administrative decision, to call on local authorities to make surveys and draw up programmes about slum clearance. The Bill has no relation to slum clearance except indirectly in that the Minister has sought to justify doing away with the subsidy on one hand, by saying that, on the other hand, he proposes to urge certain action in regard to slum clearance. It is only in that sense that these matters are in any way related, and I submit that a new statement of policy at this stage of the proceedings is out of order.

Mr. SPEAKER: As I understood the Minister's statement he was describing what he would be able to do under the Bill if it became an Act of Parliament.

Mr. GREENWOOD: There is not a single word in the Bill which alters any of the provisions of the 1930 Act with regard to slums and indeed part of my case against the Third Reading of the Bill is that the right hon. Gentleman has been misleading the public by mixing these two things. It is very difficult for us if the Minister is to make new pronouncements of policy at this stage on matters which are irrelevant to the Bill before us.

Sir J. NALL: May I submit that we are now being asked to give a Third Reading to the Bill which proposes a great change in policy relating to the provision of houses. It seems essential that in the application of these proposals the Minister should have information before him as to conditions in different areas and that information he can only ascertain by making proper application to the local authorities in the manner indicated. Indeed I suggest that the House would not be in order in giving a Third Reading to the Bill unless it was assured that the Minister was taking proper steps to ascertain the need which the Bill is designed to meet.

Major MILNER: I suggest that the hon. and gallant Member for Hulme (Sir J. Nall) is in error. This Bill deals with ordinary housing and not with slum clearance and the two things are not related.

Mr. LOGAN: I submit that the Minister's statement is relevant only to the question of slum clearance and that we are not dealing with slum clearance in this Bill at all. If the Minister has already the powers for doing what he has suggested then there is no necessity for bringing the matter before the House at all.

Lieut.-Colonel ACLAND-TROYTE: Is there any reason why Members of the Opposition should object to this information being given by the Minister?

HON. MEMBERS: None at all.

Mr. LANSBURY: We do not object at all, but the point which I have raised is very relevant to anyone who follows these discussions as industriously as I do. Occasionally, we come, I will not say into conflict, but into discussion with the Chair, as to what is in order and what is not on these occasions. If you Mr. Speaker rule that we are entitled to discuss the Minister's statement broadly, I am quite satisfied and so are my hon. Friends.

Sir H. YOUNG: I should be quite unable to commend the Bill to the House or adduce the arguments which are relevant in favour of the Bill without being able either on Second Reading or Third Reading to deal with the consequences which must flow from the Bill. Those matters were dealt with on the Second Reading and I do not understand the anxiety of some hon. Members to limit the discussion now. I perfectly understand, however, the attitude of the right hon. Gentleman the Leader of the Opposition who only wants to protect his own right of discussion but as to that I imagine he need not have any fear.

I was observing that there are two matters in connection with these programmes on which special emphasis will be laid; first, the distinction between clearance areas and reconditioning areas and secondly, the fixing of a definite period during which those areas will be dealt with. By means of such a time limit we shall secure for every dweller in the slums the assurance that within that limit of time he will see deliverance from the conditions under which he lives. That is the only means by which we can secure the ending of this evil. I am aware that there are in existence five-year programmes which were prepared under the Act of 1930. They are not sufficient for our present purposes because they were not drawn up with the specific object which we have in view, namely, the concentration of effort upon the ending of the slum. They were drawn up more in relation to the general provision of houses. They must therefore be replaced by these special provisions and programmes.

Such will be at the outset the part of the local authorities in the campaign which I am now sketching. The part of the Government will be no less direct and clear. Its first part will be the provision of the essential finance through the form of subsidy, such provision of finance as may be required from the Exchequer in order that the work may be proceeded with on an ordered plan and with the greatest possible speed and efficiency. We set no limit to the number of houses that may be thus dealt with. Every house which is unfit for human habitation ought to be dealt with as soon as possible and the quicker the better. That will not exhaust the active part of the Government in this plan of campaign. There will be other essential functions to be discharged by the Ministry.

There will be the essential function of the stimulation and assistance of the local authorities in the preparation of their surveys and programmes. That is, in the first place, the function of the general inspectors of the Ministry, but we have a certain weight of inertia to lift. A new start has to be made and I propose to devote special assistance to the local authorities in the preparation of their surveys and programmes. I propose to do so by means of a flying squad of special experts from the Ministry whose function will be the stimulation of initiative where that stimulation is needed and the giving of technical assistance and advice in the preparation of those programmes. The point on which I dwell is that this work of the preparation and the carrying out of programmes will be required at the hands of the local authorities. There is ample power under the Act of 1930 for the Minister to ensure the carrying out of programmes prepared in consequence of the passage of this Bill. Under Section 52 he is enabled to order local inquiries to be held and, where satisfied after investigation that there has been failure on part of the local authority, he can make an Order declaring that authority in default and directing how and when that default should be remedied. But except in a very clear case of ultimate need, there would be no putting into force of the powers of that Section. I look in another direction for the real sanction and force behind this fresh attack on the slums. I look to the irresistible force of public opinion to which I have already referred.

There will be three allies in this campaign. There will be the ally of public opinion. Of that we are sure. The voice of public opinion has been heard in an unmistakable manner of late, and Members of this House can do much in directing and concentrating that public opinion on the conditions of their own divisions. The second ally will be the Government, which will use its whole power and influence to carry out this programme. The third, and essential, ally is the local authorities themselves. I would express warm confidence, not only in the ability, but in the willing enthusiasm of the great bulk of the local authorities to join with the country and the Government in this campaign. They have given proof in the past of their readiness to do so, and I am confident that that readiness will be repeated and increased in the future. I am confident that it will not be necessary to use any of those sanctions and forms of compulsion to which I have referred in order to secure that the essential work shall be done. I am confident also that the local authorities will realise that there is no further opportunity for postponement and delay, that the work has got to be done, and that it is the intention of the country and of the Government to see the work through.

Sir HERBERT SAMUEL: The essence of this matter, of course, is finance, and I understood the right hon. Gentleman to say that the Government would provide the necessary finance. Does that mean that the cost will be borne by the Exchequer rather than by the local authorities?

Sir H. YOUNG: The necessary finance under the machinery of the Act of 1930; that is, the subsidies which are provided by that Act.

Sir H. SAMUEL: Will a large charge devolve upon the local authorities?

Sir H. YOUNG: £3 15s. per house, but the figures under that Act are as familiar to the right hon. Gentleman as to myself. The third partner will be the local authorities, whose willingness to join freely, and in free co-operation, in this campaign I do not doubt.

Mr. DAVID MASON: Does it not involve fresh legislation?

Sir H. YOUNG: No. There are many favouring circumstances which will assist the country and the Government in this campaign which now lies before us, and those are the favouring circumstances which are produced by the passage of this Bill. I believe that without the passage of this Bill any such effort would have been foredoomed to failure. Those circumstances are, first, the concentration of the energies of the local authorities upon this work of slum clearance, because it will only be by the work of slum clearance in future that they will be able to attract subsidies of public money for the purposes of the improvement of the housing conditions in their areas, and I am confident that, as good and reasonable authorities, as good and reasonable men, they will be eager and anxious to continue those forms of activity which will enable them to attract money from the Exchequer for the assistance of their areas.

Major MILNER: On a point of Order. The right hon. Gentleman has been referring for the last 10 minutes to slum clearance alone. He has referred to

[Major Milner.]

Section 52. There is no Section 52 in this Measure, and he presumably referred, therefore, to the Act of 1930. He is urging local authorities—quite rightly, no doubt, at the proper time—to get on with the Act of 1930, but I submit that the whole of this statement is out of order now, that there is other urgent business before the House, and that it is not right that he should be permitted to make that statement on the Third Reading of this Bill, a statement which I say, unhesitatingly, deserves a full day's debate, not merely the odd hour or two which we are likely to have to-night. I submit that the right hon. Gentleman should take an early opportunity of putting forward his proposals for pushing on with slum clearance, which in no direct sense arise under this Bill.

Sir H. YOUNG: I was engaged, when I was interrupted, in pointing out to the House that for a successful attack upon the slums we must have a concentration of the energies of the local authorities, which can only be obtained by the passage of this Bill. The matter, therefore, is not only relevant, it is vital to the Bill itself, and I am very sorry that the hon. and gallant Member has not yet found himself able to understand that fact. The next matter that I would refer to in this connection is the second essential, favourable condition for the success in this operation against the slums which I have described. That is the condition which enables us to pass this Bill, and it is the sharp fall in building costs and in the cost of money. The opportunity for one is the opportunity for the other. By taking advantage of the opportunity to pass the Bill, we set the forces produced by that opportunity free to assist us to clear the slums. The fall in the cost of building operations, their cheapness at the present moment, is the second circumstance that make a favourable condition to carry out this new programme of slum clearance.

One word as regards the review of the new conditions which will be produced by this Bill that is to be carried out by the Committee, the appointment of which I have announced this afternoon. That Committee will be dealing in particular with any fresh powers which it may be desirable to grant to local authorities in respect of re-conditioning slums, not excluding the provision of financial help in order to assist those powers of re-conditioning. That Committee will have a most important and valuable task to perform, in relation to the new era produced by this Bill, in order to decide upon what fresh powers it may be useful to add to the existing framework, but I desire to make it particularly clear that no such change in the framework is contemplated as need be looked upon by any local authority as any reason for postponing that survey and that programme to which I have already referred. The way is clear for an immediate start to be made upon the new campaign. I have described a very powerful engine for putting an end to the evil of the slums. In the past there has been a history of failure and disappointment in this respect, and that has been for this reason, I believe, above others, that there has been a divided responsibility, a responsibility divided as between local authorities and the central Government. By such means as I have described, we concentrate that responsibility, because the Government itself accepts the responsibility for undertaking to see this thing through.

Such are the principal reasons for which I commend this Bill to the House. I commend it to the House as inaugurating an era of greater hope in the meeting of one great need, namely, the provision of small houses for the working classes. I commend it to the House as inaugurating an era, not only of hope, but of assurance in dealing with another great need, namely, the abolition of the slum evil through those steps which I have to-night described. Too long has that last evil existed, too long has the slum acted as a radiating centre of disease, of disease not only of the body, but of the mind and of the social order. I believe that by securing the greater freedom and power which we shall obtain by the passage of this Measure to eliminate the final centre of that great evil, we shall indeed have achieved no small thing. It will be all the more to our credit if we succeed in achieving it at a time of difficulty, because the nation will finally judge us, not by success in times of prosperity, but by the courage and the foresight which are shown in bad times. To-night we look to the resolution to make use of the opportunity given by this Bill to convert our extremity into an opportunity for the achievement, upon which the Government is determined, of fixing a definite term to the slum evil, a great work in which we enlist the sympathy of the local authorities on the one hand and of the public opinion of the country on the other.

56 p.m.

Mr. GREENWOOD: I beg to move, to leave out the word "now," and, at the end of the Question, to add the words "upon this day six months."

The right hon. Gentleman's name will go down in history as that of the second Minister of Health who has conceived nothing constructive in the cause of the housing of the people. The first was the late Lord Melchett, who was given the rather difficult task of liquidating all responsibility under the Addison Act of 1919. His successor, a Conservative Minister of Health, was bound to re-establish the principle of public aid which his predecessor had overthrown, and there will come a successor of the right hon. Gentleman the present Minister of Health who will treat him as ignominiously as the late Lord Melchett was treated by the present Chancellor of the Exchequer.

In this Bill there is not a single constructive proposal; not one word, not one comma, of the Bill deals either directly or indirectly with the question of slum clearance. There is only one idea in it, and that is not constructive—the idea of a return to the free play of economic forces, the free play of private enterprise. He has not even a friend on the Government Benches in favour of that policy to-day. He is a lone voice crying in the wilderness, using the language of a century ago—I have had to remind him of it before—a lingo unknown since the days of our great grandfathers. He alone stands for a return to private enterprise, and the only idea in his Bill is a return to private enterprise. In the long Title of the Bill we have its scope defined:

"to bring to an end the power of the Minister of Health to grant subsidies under the Acts of 1923 and 1924) and to enable him to undertake to make contributions in certain cases."

From the day of the Second Reading of this Bill the right hon. Gentleman has been misleading this House and misleading the public. He has very carefully and skilfully mixed the destructive provisions of this Bill with slum clearance. There is nothing whatever in agreement between the two. He has asserted to-night, but not proved, that the solution of the housing problem is to leave the normal provision of houses to the free play of private enterprise, and to get local authorities to concentrate on what I can only call to-day the dirty work of slum clearance. There is no necessary connection of that kind between the two. On the Second Reading the right hon. Gentleman talked of slum clearance, in the country he has talked of slum clearance, the Lord President of the Council made a moving speech in the country in favour of slum clearance, and the right hon. Gentleman comes back to-day on the Third Reading of this Bill, when we thought we were dealing with the rather narrow point of the Bill as it stands now, to tell us of his proposals. I do not call them new, because they are not new. There is not a single suggestion that he is making except about another committee, and that is not new. Having suffered castigation about the appointment of new committees from hon. Members opposite when I sat on that side of the House, I cannot say that even his proposal for a committee is new.

It is no good the right hon. Gentleman working himself up into a frenzy to-day about slum clearance and saying, as he said in an earlier part of his speech, that there must be no more delay and no more trifling. The very day that the right hon. Gentleman took office he discouraged the local authorities, and he has pursued that policy persistently and deliberately for nearly 18 months. He has not said to them, "You are the people who might aid us in solving the housing problem." On the contrary, he has discouraged them—not one authority, but scores of authorities. The right hon. Gentleman mentioned a five-year programme, which he said was not enough. There are scores of cases to prove that it was not too big and many local authorities to-day are not building up to the level of the five-year programme. The right hon. Gentleman has discouraged local authorities, he has knocked the heart out of them, and he has done everything he can to destroy municipal enterprise in housing; and now, after 18 months, he appeals to them with his hand on his bosom, and says, "We need the assist-

[Mr. Greenwood.]

ance of local authorities to help us in the solution of the problem of the slums."

Sir JOSEPH NALL: May I ask the right hon. Gentleman what progress he made when he was Minister?

Mr. GREENWOOD: I can answer the hon. Gentleman in two ways. I did a good deal more than the right hon. Gentleman, and the situation to-day would have been a good deal better if I had been sitting where the Minister is now sitting. Where do we stand on this great question of slum clearance? What have we been offered? Not a new policy, but a committee. We are being offered reconditioning as a partial solution of the slum problem. The right hon. Gentleman has admitted that that is only a partial, and, indeed, only a minor solution. Where houses are bad, reconditioning is bound to be a hopeless failure and it will not be an economic proposition. I am becoming a little tired, as one who has lived in a second-hand house, of this new policy of passing off the houses of the middle classes to the working classes, only to more of them—one middle-class house being handed over second hand, third hand and fourth hand to four or five working-class families. That kind of thing can be found within a mile of this House; hundreds of middle-class houses not good enough for the middle classes are now being cut into small sandwiches and divided up into working-class houses. If the most that the right hon. Gentleman can suggest, apart from this talk about surveys—which does not mean anything—is a committee to consider the possibility of reconditioning, the solution of this problem will not only be nil, but it will be worth less than nothing, and may possibly be disastrous.

If time permitted I should like to spend as great a proportion of my speech on irrelevancies as the Minister. He said very little about this Bill. He did not say a great deal about it on Second Reading, and to-night he has said even less. He is trying to cloud the negative character of this Bill by taking advantage of an Act of Parliament for which he was not responsible, and which he is going to supplement by another committee. I do not wish to pursue that question any further, but I wish the House to understand that the right hon. Gentleman has not contributed one constructive idea to the solution of the slum problem. He has not altered the law in any way. The law is as the late Labour Government left it in 1931, and it is important that the country should know that, because the Press are giving the impression that the right hon. Gentleman is a kind of crusader in this matter. I remember the Minister of Mines when he was crusading with me. He has now changed sides and is crusading with the present Minister. This is not a new crusade that the right hon. Gentleman has undertaken. He has added no new power behind the movement for slum clearance. His only contribution is to deter local authorities for nearly 18 months, to reduce them to a state of hysteria and panic, and to discourage them from the work that they ought to have been doing.

A further reason which I have against the Bill is that it is a reversal of an established national policy at a most inopportune time. It has been said that houses can be built without subsidy. That may be true, but that does not answer the question whether they will be built at the lowest price. It does not answer the question whether under the provisions of this Bill houses will be provided for working-class families at the lowest cost and at rents which they can pay. I am certain that in certain areas, both urban and rural, particularly in rural areas, private enterprise will not fill the Bill. The right hon. Gentleman dealt with this point most ineffectively on the Committee stage last week. Private enterprise never has filled the bill. It has not done it effectively in the towns, and it certainly cannot do it in the semi-rural and rural areas; and we are to be left now solely with private enterprise, except, as the Minister admits, for the very difficult and the complicated business of slum clearance. When the building of working-class houses was a costly business, local authorities were allowed to do it. Now that the building of working-class houses appears to provide an opportunity for private profit, private enterprise is to be allowed to come in, and the difficult job of slum clearance is to be left to the local authorities. I can understand hon. Members opposite favouring a return to private enterprise in the building industry. That raises a question in which

There is a conflict of principle between hon. Members opposite and us.

Whatever might be the right solution, if the Minister thinks that private enterprise can solve this problem, we ought to have guarantees that it will solve it as well as municipal enterprise. That is a reasonable thing to ask. Ever since the War, we have gradually established under the power of the Minister a national housing standard which is as good as, and in most cases better than, the local building by-laws. We have established a national tradition under public auspices. Houses for the most part have been built by private contract, but under the auspices of the local authorities. If the right hon. Gentleman believes that private enterprise can do this job, surely the House is entitled to ask him to ensure that it will do the job as well as public enterprise has been doing it in the years since the War. A point on which I think there will be universal agreement in the House is that the standard of houses which have been built for working-class families since the War are infinitely higher than the standard before the War. That is all to the good. Having achieved that standard—it may be at very great public expense—we are entitled in this golden era of lower prices and lower rates of interest, about which we have heard so much, to ask that private enterprise shall live up to that standard. The right hon. Gentleman says that Clause 2 of the Bill is not important and is not essential. The point is, however, that he has in that Clause kept a shred of public control. That guarantee, even if it is worth only 8s. per house, gives him a *locus standi*, an authority in this matter, and it is reasonable to ask that he should use that authority to safeguard housing standards.

One of the difficulties that we had on Committee stage and again on Report stage of the Bill was the reluctance of the Minister to commit himself to anything. He has to-night, after speeches from all sides of the House, agreed to a fixed bath, but even that concession does not appear as big as it did when hon. Gentlemen behind him cheered, because he still keeps his discretion. His discretion is worth nothing. If the housing problem of the people is to be treated seriously, there ought to be some kind of statutory authority, not merely the power, but the duty imposed on the Minister to see that houses are built adequately according to modern standards. The right hon. Gentleman talked about the changing times in which we are living. Let him remember that there are changing standards in working-class life which have been embodied in scores of thousands of working-class homes. I fear that under the operation of this Bill we shall revert to the old period of unrestricted private enterprise, where the jerry builder and the speculator, careless of the interests of the people who live in their houses, will build the smallest and the meanest type of house because they themselves will not have to live in them. The master builders have expressed their view that this idea of building only 12 houses to the acre is a monstrous waste of land. They do not believe in providing for the people who are to be tenants of their houses the kind of amenities that they want for themselves and their families.

Without the restraining hand of the Minister I am satisfied that the effect of this Bill will be, within the next three years, to degrade the standard of working-class houses. For that reason alone I should be prepared to vote against the Bill. I would vote against every word in this Bill not with pleasure, but with sadness, because it seems to me that this is about the worst possible time to discourage local authorities and to expect that private enterprise, having had imposed on it these ideas of economy, will live up to anything like reasonable standards of working-class houses. The right hon. Gentleman in his final words spoke about cheap capital and low rates of interest, and said that out of this time of adversity we ought to make great progress, and that it would be all the more credit to us if we did. That is perfectly true, but if the right hon. Gentleman means business it is a complete reversal of the Government' policy.

If local authorities are to forge ahead, then the economy policy of the Government goes to pieces. If it does so I shall be delighted; but I should like to know whether, in making his new declaration about the slums, the right hon. Gentleman has been making a new declaration about economy, though I imagine not. I should say that his dearest ambition is to hand over the housing of the people to those who, in the generations before the War, failed to deal with it effectually. One

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thing has been proved, and that is that the housing of the people is so fundamental to national interests that it cannot be left to the unrestricted play of private enterprise. It is so vital, not merely to physical wellbeing but to moral wellbeing, that there ought to be a Minister's hand upon the wheel. That hand the right hon. Gentleman is prepared, indeed he is anxious, to withdraw, in order that he can get back to an outworn creed which even members of his own Government do not to-day accept. With the Government accepting the principle of intervention in trade, whether through Regulations or tariffs, it has scrapped the old-fashioned ideas for which the right hon. Gentleman alone stands. On the ground that the right hon. Gentleman is really a relic from the past, and not speaking in terms of to-day, I hope this House, elected so lately as 1931, will be prepared with me to reject the Bill.

8.18 p.m.

Sir FRANCIS ACLAND: Those with whom I am associated have handed in a reasoned Amendment to this Third Reading Motion, which naturally cannot be called upon. I make no complaint about that, and I will save the time of the House by not even reading it, partly because I understand that it is out of order, and if I were to read it it might be expected that I should frame my speech mainly upon it. I do not intend to do that but to follow definitely on lines which are in order, namely, the Bill, or those extensions naturally arising out of it which were dealt with by the Minister, by leave of the Speaker—I refer to slum clearance and reconditioning. I have been asked to speak on behalf of my party in this matter for what seem to them the good and sufficient reason that my name happens to begin with " A," and that when the party meeting decided that I should speak I chanced not to be present and had no opportunity of suggesting somebody who was better qualified, as at the time I was taking the chair at a meeting of the housing committee of my county council in Devonshire.

In preparation for my task I have read through the Debates on this Bill, and two points remain definitely in my mind. First of all there is admiration for the skill, clarity, persuasiveness and good temper shown by the Minister of Health and the Under-Secretary in their conduct of the Bill. To make a practical point, noticing that the Minister of Health has sat continuously on the Treasury Bench for four and a half hours I shall not take it amiss if he thinks he will be better employed somewhere else than in listening to what I have to say. My second point is that in examining what I have to say I shall not more than I can help dispute the central principle of the Bill which is, of course, to abolish the main housing subsidy. I regard that as more or less settled, and at any rate pretty well everything that can be said about it has been said already. But I think we should not part, either temporarily or permanently, with the Wheatley Act without, in our minds at any rate, paying a tribute of respect and admiration to John Wheatley. His Act was a great personal achievement. It did what, at the time it was passed at any rate, by the admission of all of us, could not have been done in any other way. Many hundreds of thousands of people have good reason to bless his name for having helped to provide houses which otherwise would not have been built; and although this Bill is meant to bury his Act for good and all I would like to suggest, before we do that, and without prejudice to the question of its resurrection, that we ought to pay our tribute to the ardent and high-minded man who was its author.

Summing up the general results and effects of this Bill, however large may be the majorities here and in another place by which its remaining stages are to be affirmed there will remain anxiety, not only in the minds of its critics but among its supporters, on four main points. First, the question of how, and how quickly, reconditioning can be pressed forward in rural areas. Second, the speed of slum clearance, and in particular the re-housing of those whom slum clearance dispossesses. Third, whether the building societies will adequately perform the important role which this Bill assigns to them. Lastly, whether the machinery which will remain in our rural districts after the main Wheatley subsidies are swept away will provide adequately for the needs of agricultural workers and similar classes. The Minister in his statement just now referred to the fact that the new survey which he is intending to have set up at once will cover the question of reconditioning, and he made it clear that it was only with the passing of this Bill that local authorities would be free to tackle it. So be it. If it had not been that even at this eleventh hour, he did include that matter, I am quite sure that the conscience of the House and the nation would have remained profoundly stirred by speeches such as the noble speech of the right hon. Member for West Birmingham (Sir A. Chamberlain) on the Second Reading of this Bill. Nothing so far, until, perhaps, the statement of this evening, had set our minds at rest about it. It is a difficult problem, as is shown by the fact that it puzzled even my hon. Friend the Under-Secretary, who, I see, has taken the Minister's place, and whom I welcome. In the Debate on the Second Reading he looked the problem of reconditioning fairly and squarely in the face and passed it by on the other side. He referred to the necessity for reconditioning which had been urged, and said:

> "I ask: At whose expense? At the expense of the State, the landlord, or the tenant?"—[OFFICIAL REPORT, 15th December, 1932; col. 649, Vol 273.]

I respectfully suggest that the Government could not possibly leave the matter there, with a large question mark appended to it. It is much too serious a matter. My knowledge such as it is is rural rather than urban and I want to make a suggestion concerning the Rural Reconditioning Act which is a special Act. The State and the ratepayers helped, but only under rather special conditions, only if the landlord will accept for at any rate a long period—20 years I think—a considerably lower rate than would be legally enforceable or required under the Rent Restrictions Act. The acceptance of help for reconditioning would carry with it an obligation to keep rents low. It might be possible, not this evening and not perhaps by any Amendment to this Bill—I do not know whether it would be in order in another place—that reconditioning questions in our towns might follow that analogy. That analogy might be useful. Could not owners of bad property be offered help in putting them in order, if rents were effectively reduced and restricted, and, if they declined to agree to that, could they not be forced to recondition at their own expense? It would be a fair offer—help from public funds if rents are kept really low, as is the case now in our country districts. Perhaps the survey which is to proceed will take a note of this. Notwithstanding all that is sometimes said in this House about houses owned by poor widows, I do not think that it will be hard, if that offer is made, to insist that reconditioning shall be done. Even the poorest people are forced to have sanitary and suitable premises if they carry on any business, and the business of house-letting is surely important.

Mr. DEPUTY - SPEAKER (Captain Bourne): I think that the right hon. Gentleman is going far beyond what is in the Bill.

Sir F. ACLAND: Your intervention was not wholly unexpected, and I admit its justice. My point is that this question of reconditioning, having been raised, must be very definitely pressed forward, even, if necessary, by using new powers in tackling the problem which the Minister now contemplates. I come to what will be more strictly in order, the question of slum clearance. That, we all know, is not only a problem of housing, from which it takes its difficulty, but it is a problem of livelihood. Slums exist mainly in the districts in which large pools of casual labour are required, as near the docks and the railway stations, and, as was recently well said, I think it was in the "New Statesman and Nation," until that sort of labour can be decasualised, it is no use to suggest to the Thames-side docker that he should go and live at Becontree, or to the Merseyside worker that he should go and live in one of the new housing estates provided by the Liverpool Corporation. That is one of the main difficulties that confronts the Minister in his rather newly-developed anxiety that this question should be fundamentally tackled. It is a problem, not of housing only, but if decasualisation and of transport.

It is not unfair to the Minister to call the attention of the House to the way in which the views of the Government on this matter have developed and improved in the course of these Debates. It is sometimes said that whatever the Government brings in is passed cut-and-dried, without any alteration. Here is a case, in regard to slum clearance, in which public opinion, expressed inside

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and outside this House, has had a real effect upon the Government's mind. I find it difficult to agree with what was said by the right hon. Member for Wakefield (Mr. Greenwood) about the Governments slum-clearance proposals meaning nothing. I think that they are going to mean a very great deal. I am very glad that that part of the speech was declared to be in order. It was new, of course, and it was rather unexpected, but it was very much better to have a statement of that kind now than not at all; better late than never. It shows what I have felt in my practical acquaintance with this matter, that the inspectors in the Minister's Department are not now regarded as they used to be, and as some inspectors still are, as unreasonable, interfering people, who think that they know much better what ought to be done than people who have been devoting half a life-time to housing. Those inspectors are regarded as friends anxious to help.

I am very glad that the Minister has now announced that he intends to take advantage of that position to have definite plans made with the great municipal authorities for carrying through this job. I was glad that the Minister added that it would be done within a definite time. We know the difficulty of time. None of us expects that slum clearance can be done within one, two or three years. As the Minister said, it has dragged on for 50 or 60 years already. Cannot we take in a favourable light the recent statement of the Chancellor of the Exchequer that we shall have great difficulty in unemployment for the next 10 years, and can not we make up our minds, as the Minister seemed inclined to do, that within that period, shorter, one hopes, the problem shall be tackled and put right? If we knew that for certain, and the Minister's statement this afternoon goes a long way in that direction, we should feel less uneasy about this Bill than some of us have hitherto done. It would do a good deal to lift these questions out of party politics, not only nationally, but locally, and that would be all to the good.

The Minister has at last realised that. He realises also that definite action is required with the local authorities. Until he said what he said this afternoon, I did not think that he realised quite so fully as some of us do who are actively at work in the localities, the change that has come over local authorities in many districts in the last two years. In all authorities, so far as my experience goes, and I expect that the experience of other hon. Members on local authorities is much the same, there are two classes of people, those whose constant inclination it is to explain why things cannot be done, and those who have the power of showing how things can be done and of getting them done. Naturally, and perhaps inevitably—I am not blaming anybody—the economy crisis of nearly two years ago put on top the first class of people who do not wish to spend anything on anything. They were able to bring out into the light of day their constant desire to do little or nothing and to parade it as patriotism. If the statement of the Minister of Health means anything, it surely means that it is no longer patriotic to do as little as possible on our local authorities in this matter of slum clearance.

It will require more than speeches in this House to reverse the wheels and to convince our local authorities that that is so. The only way in which it can be done is by writing to the local authorities, as the Minister has now said he is going to do, and by sending his experts to confer with them; by mapping out areas and by having a definite programme year by year, until the task is done. It is a very difficult thing to reverse large engines, and it will require all the effort that the Minister and his Department can put into it to persuade the local authorities that their duty now is something very different from what in so many quarters it has been represented to be for many months past. It will need very purposeful and constructive organic planning if they are to realise that, and we shall watch, and shall, I am sure in no spirit of distrust, want to have accounts from time to time of, the effect that the Minister's action is having on local authorities and how his plans are proceeding, and to have reports from time to time as to how this great work is going forward, as we all now hope, and most of us believe, it is going forward.

My third point arises directly out of Clause 2 of the Bill. It is as to whether the building societies will adequately perform the large rôle which the Bill signs to them. I cannot say much bout that, because my right hon. Friend e Minister has done me the honour of king me to serve on a committee which ay shed a certain amount of light on at question. There has been some ntroversy about the Committee's terms reference, and on that subject it ould not be right for me to say any- ing, but, when I was asked to be a ember of the Committee, it did not em to me to be right that, if one of ose who are pursuing the attitude of dependence of the Government that we rsue were asked to help, in however hall a degree and under however limited rms of reference, he should refuse, cause independence in this House ems to me to have its duties as well as rights.

I only want to make two points in that gard. I have tried, with the best will the world, to see where that margin 10 per cent. is to come from. These ouses are not going to be bought, but e going to be leased, and the man who kes a lease will not want to "cash up" e 10 per cent. as a sort of premium efore taking his house. That point is so puzzling people who have had a oser connection with the matter than I n claim to have had. The other point at I want to make is this: The terms reference of that Committee are ecessarily official terms, but can the arliamentary Secretary, or whoever eaks on behalf of the Government efore the Bill finally passes away from s, make a little clearer to us than it ow is, what the Minister expects from e work of the Committee He must ave anxieties about it, or he would not ave asked us to help him; but it is ifficult to gather from the terms of eference what his anxieties and his esires are.

I would like to know whether he ex- ects, when the committee reports, that rther legislation will be required. I now, of course, what the answer to that uestion will be, namely, that it depends pon what they report, and when they eport, and what the state of Government usiness is at the time when they report. hat, of course, is the proper, the cor- ect and the inevitable official answer to question of that kind. But it is always asy to give correct answers, and the inister of Health always does it supremely well; but, besides that admirable official side which he shows to the House, he has, as many of us know, an equally admirable human side, and we should be glad to see a little more of that. I know very well, from my own experience, how much more difficult and often injudicious it is to be human than to be official, but, if the Minister would permit himself to think aloud a little more about the really difficult matters ahead in this big new experiment that he is trying with the building societies, we should be glad. It would help public opinion to look forward to what might be coming, and we should like him, if he would trust himself a little more, even more than we do at present, which is a great deal.

I come now to my last point, and that is the case of the rural districts. The Minister knows rural England and loves it, and I think I may claim that I do also, but I have, in the matter of housing, this small advantage over him, that, as chairman of my parish council in its capacity as a parochial committee acting for the district council, as a member of a district council which has done a great deal under the Wheatley Act, and as chairman of the Housing Sub-committee of my county council, I have had a certain amount of actual experience of the housing difficulties in the countryside which may not have come in the way of even the Minister himself. It has been said that the Wheatley Act did not help the agricultural worker, and that all that needs doing for him can now be done under the Reconditioning Act and the Slum Clearance Act. With respect, however, I would say that the Wheatley Act did help the agricultural worker, though, perhaps, not directly.

My hon. Friend the Member for South Shields (Mr. H. Johnstone) gave a case the other day in which houses built under that Act were let at rents which would have been directly within the power of the agricultural worker to pay; but such instances are not common. What normally happened was that the Wheatley houses, let at rents of from 5s. or 6s. to 7s. or 8s., helped primarily the artisan, the postman, the pensioner, and people of that class—not the week-ender. The idea that Wheatley houses went to week-enders is a myth, a pure invention. I do not believe that there is a single instance of it from one end of the country

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to another; there have always been tenants more eligible than that. But, when the new council houses were occupied by that slightly superior class from the point of view of ability to pay rent, one of two things always happened instantaneously. I am speaking as regards a very large range of villages. Either bad overcrowding in the villages was mitigated owing to one of two families in a house clearing out and leaving it for the other family, or people of the agricultural worker class, or others who could not afford to pay higher rents than the agricultural worker can afford, moved into the houses out of which the better-off people had moved in order to go into the Wheatley houses. There was an instantaneous closing up, and an instantaneous bettering of housing all round, because it meant that the most insanitary houses ceased to be in demand, and possibly ceased even to be occupied at all—and a very good thing too. But, if it had not been for the progress with council houses, there would have been much less relief and much less improvement in the actual condition of housing for the agricultural worker than there actually has been.

The cutting short of the Wheatley Act will stop all that, and we shall be thrown back on reconditioning and on the Slum Clearance Act. The right hon. Gentleman made a statement about his plan under the Reconditioning Act. He said that he intended to rely more on district councils in some cases. His statement about relying on district councils for reconditioning was reported in some quarters as if it contemplated a universal and compulsory transfer of powers from the county council to the district councils, but I do not think that anything of that kind was contemplated at all. I think the Minister intends only to use district councils in suitable cases, where he is convinced that that would be the best way of getting some action taken; but his statement has caused doubt in some counties, like my own, where the county council is willing to work the Act as well as it can, and is working it to-day. I hope that that important matter may be cleared up, although it is only a small one.

Then I would say, let the Minister not hope too much from the action of district councils if and when he transfers the present powers of the county council to them. Speaking for a county which I think, when I saw the last figures, had done about one-fifth of the whole work done in England and Wales under the Reconditioning Act, I believe that the reason why we have been able to do so much good in Devonshire has been primarily that we have a very competent and devoted county architect, with his staff, who not only, when he gets schemes, says quite clearly what must be done in order that public money shall be spent upon them, but, in addition, reviews the proposals put forward by the owner, and very often helps to show the owner how he can best do what he proposes to do, even to the extent, frequently, of practically re-drawing the plans that have been submitted by some small builder on the unaided ideas of the small owner. District councils cannot do that. They have not the skilled staffs. The surveyor may do his best, but he cannot give the same help as a really experienced architect can do, and neither can district councils maintain the same standard of what they require in order to earn the grant that the county councils can do. Our work in Devonshire is only popular because in each case we can make a good job of the house that is done, often requiring a great deal to be done—extra bedrooms, better sanitation and water supply and so on.

Mr. DEPUTY-SPEAKER: I must warn the hon. Baronet again that he is not making a Third Reading speech.

Sir F. ACLAND: Perhaps I may be allowed a short reference to the Slum Clearance Act, upon which reliance is placed under the Bill to do a good deal of necessary work in rural districts. I know no department of housing work in which less will be done unless the Minister reverses the engines in the same way that he says he intends to reverse the engines with regard to slum clearance. That Act came at a time which proved unfortunate. It was very soon followed by the economic crisis of 1931. Our local authorities had only begun to get going when the necessity for economy, and stringent economy, arose. In my county only six out of 18 district councils have taken it up. They applied only in respect to 124 dwellings, of which only 47 were approved by the Ministry, and in only about two dozen cases has anything been done. That was very likely necessary at the time, but if, as the Minister says, he welcomes action by the local authorities to clear slums in the towns he must also be prepared to welcome similar action in the country districts. I am simply saying the same thing for the country districts as he has said for the towns. He cannot leave things where they are. There must be definite circulars to district councils in the country, just as he intends to send them to the municipalities of the towns, inviting those who have not applied at all under the Act to apply and promising to review the cases that were rejected under the special financial stringency of 18 months ago. It comes to this. Will the same action of asking for active operation in slum clearance be taken in the country as was held out to us as being a definite part of the Minister's policy in the towns?

A statement was made by the Minister which rather horrified me in its implications. It was that there was not really any considerable need for new houses in rural districts because, judging from the figures that were available, the population is going down. That is the reason that he gave for what is the main purpose of the Bill so far as rural districts are concerned, namely, bringing the subsidy to an end. How much is that decline of our rural population due to bad housing? Cannot the tide be reversed by making better housing available? Can that be tackled satisfactorily only by these acts of reconditioning and slum clearance? The standard of housing has changed—not only the standard provided but the standard expected by the people who are going to live in the houses. The newer generation of young men and women in the last 20 years expect something better for themselves than they were brought up to. Sixty, 80 or 100 years ago cottages were built, as I know on my own estate, mainly with one consideration, and that was warmth. The newer generation seem not to mind about cold as much as the older people did. When you look at the silk stockings and the modest V, you perceive that cold is a secondary matter. But what the older generation did not seem to want so much is air and, above all, light. The newer cottages—the council cottages—now differ entirely from the older ones to which our fathers and grandfathers were accustomed in the matter of light more perhaps than in anything else. The young men and women now growing up have got accustomed to light. They see it in their friends' houses in the towns and in the new council houses where their friends live.

If we are to repopulate the countryside, we must make sure that there shall be available for country workers houses of a different type from what they regard as the pretty, snug, sweet country cottages that they see as they whirl past in their motor cars and take no further real interest in. Houses of the kind that people now want in order that the country districts may be filled up will not be provided by reconditioning, by slum clearance or by private enterprise. The building societies do not operate outside urban areas at all so far as I have heard. I pray that the attitude that the Minister has expressed may not be the last word of this or any other Government. If it is, it will be a disaster to rural England. Rural England deserves better than that.

8.54 p.m.

Miss CAZALET: While I feel myself in sympathy with the main provisions of the Bill, I cannot disguise the fact, in spite of what the Minister has said, that I am still somewhat apprehensive with regard to the building by private enterprise of a sufficient number of the smaller houses to let at low rents. I realise that in different parts of the country some of these will be built, but I cannot persuade myself that very much will be done in this direction in big cities such as London, where land is extremely dear, and it is often far more profitable to use it for other purposes, and where there is a crying need for this type of accommodation. The theory on which the abolition of the subsidy is based seems to be sound enough, but, with regard to the really low-rented houses, I fear that the ordinary laws of supply and demand are to-day so complicated by outside factors, such as unemployment and poverty, that they may prove to operate far too slowly for our needs. We have to remember, that if the Rent Restrictions Acts are to cease in five years' time, a great deal of leeway will have to be made up unless decontrol is to bring hardship to many of our people. In the Circular which the Minister of Health issued soon after he

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took office he showed that he was alive to this problem of the smaller type of houses. He concentrated upon their production by local authorities and received a certain amount of success. I think that many of us would be grateful if, in summing up this evening, the Parliamentary Secretary would give us some still further reassurance upon this matter, and also if he would indicate what course he will pursue if the desired type of small houses fails to materialise in sufficient numbers.

There is one word I should like to say with regard to slum clearance. Everyone in this House must rejoice in the enormous publicity which has been given to this matter up and down the country recently by speeches, by newspaper articles, and, above all, by broadcasts. The declaration of war upon the slums made by the Minister of Health seems to me to open a campaign in which every man and women in this country can unite. It will not be a war which can be won by pegging away. Pegging away in separate units has been the process ever since people first began to talk about slum clearance, which we heard to-night from the Minister was 60 years ago, and we know that this method has only advanced us a mere trench or two, and that, only on certain parts of the line.

I am very glad that the Minister has asked for a complete survey and programme with regard to slum clearance from every local authority. I look to the waging and the winning of this war for one of the biggest economies that the Government can possibly make. Few of us wish to see any of our social services reduced to the detriment of any section of the community, but who would not rejoice to see a reduction in Government expenditure if it were the result of the healthier conditions of the people, and the immense economy of good housing has been proved over and over again by fact and figure. I welcome very much indeed the appointment of the committee which the Minister has set up to-day, showing, as it does, that the Government are fully alive to every aspect of the housing problem. In supporting the Bill to-night, I look upon it only as the foundation of our future housing policy and in no way as a complete structure in itself.

8.59 p.m.

Mr. TINKER: The right hon. Gentleman the Member for North Cornwall (Sir F. Acland) delivered an interesting speech, but it was hardly upon the lines I expected. I understood that the Liberal party were going to oppose the Government tooth and nail, but in the speech of the right hon. Gentleman there was not the vim one expected, probably it was because he might not have been present at the meeting. If I had been on the Government benches, I should have thought that the whole trend of his speech was more in praise of the Bill than against it. If this is a sample of the opposition of the Liberal party, they will have to become more full hearted than has been the case upon this Measure to-night. I dare say that they are retiring carefully and perhaps do not want to throw over their friends so badly at the outset, but it is a poor exhibition of the fight which I understood they intended to put up.

The Minister of Health, in dealing with the Bill—and I listened very carefully—did not seem to be very happy. He appeared to cover up his retreat by eulogising the Greenwood Act of 1930. Indeed, anybody listening to him who had not read the Bill but had read the Greenwood Act, would have thought that he was dealing with the Greenwood Act, that he was going to put greater pressure upon its application, and that, although it had been somewhat lax up to now, his job as Minister of Health was to see that its progress became greater. That seemed to be practically the object of a large part of his speech to-night. Whether it was because he wanted to obscure the real issue of the Bill or not, I do not know. The Bill tells us clearly that no contributions will be made in the future, apart from what is held to come under slum clearance. It means that for the future private enterprise will be given full opportunity in dealing with the housing problem of this country.

I understood the Minister to say that he was backed up by public opinion upon this matter. I should like to know what public opinion? The letters which I have received from my constituency, from every council, appeal to me to try and get the subsidy kept on. I have written to them asking if they have sent a communication to the Minister of Health, and I have received an affirmative reply to the effect that they have made their protest to him as they have made it to me. Therefore, however the Minister of Health can say that he has public opinion behind him in putting a stop to the giving of the subsidy, I fail to see. I should be interested to know from the Minister, or from the Parliamentary Secretary, whence they get their public opinion?

Another point brought forward in speeches by the Minister of Health is that money is cheaper now and that because of that fact we shall get better houses, at rents almost equal to what obtains under municipalities. Is the Minister dealing fairly with the municipalities by taking from them, when money is cheaper, an opportunity of putting up the type of houses required by the people? Surely, if they were able to pass through the hard times when money was dear and were able to meet the situation in the manner they did, they are entitled to a further lease while money is cheaper and should be given an opportunity of dealing with the problem and enjoying the privileges now being given to private enterprise. The Minister is himself the last remnant standing for private enterprise. I do not think that on the whole of the Government Benches there is a man equal to the Minister of Health in taking a stand for private enterprise, and I believe that he is now determined to give, once and for all, a further opportunity to private enterprise. He thinks that here is their greatest chance. Everything is in their favour, cheap money, the Government is defending them, and every opportunity which can be given, is to be given to them by the Minister of Health.

We on these benches feel, after the experience which we have had, that housing by private enterprise has absolutely failed. We ought not at a time like this to allow the question to pass from our grasp. It is unfair to the House of Commons and to the people in the country to hand it back to a body of men who have already had an opportunity and have failed to provide for the necessities of the people. It is on these grounds that, as a last effort, we are raising our voices in protest. We know very well, as the House is at present constituted, that we shall not be able to succeed, but we should be lacking in our duty to the people we represent if we did not take a stand to-day and show our discontent. I trust that the Liberal Members will go into the Lobby with us, as I understand they will, so that we may give the greatest vote we can against the Third Reading of a Bill which cannot b a success but must be an absolute failur as time goes on.

9.6 p.m.

Sir JONAH WALKER SMITH: I was a little surprised at the dissertation by the Minister upon the matter of slum clearance, because I have failed to observe any mention whatever of slum clearance in the Bill. I was not, however, particularly surprised at the terms in which he made his reference to slum clearance. I have become so accustomed to proclamations of that kind from that Box. Many times has that particular Front Bench laboured, and a very ridiculous mouse has been born as a result of it. I thought that at first it must be an attempt on the part of the right hon. Gentleman to draw a red herring across our path and to divert our attention from the possible practical effects of this Bill. I was not impressed with the fact that the Minister intends to have a survey, a programme and certain periods and dates prescribed, when various things will be done. There is nothing new in that. There have been many programmes and many surveys and extremely little has been done.

I was not impressed with the Minister's intention to use the big stick upon the local authorities in case, forsooth, they should not proceed with more diligence in slum clearance. The Minister has had that big stick in his hand for a considerable time and other Ministers before him have had the big stick, but nothing have they done in regard to it. I can only conclude that the dissertation must have been used for the purpose of letting it be inferred by the House that for the purpose of rehousing the dispossessed from the slums an enormous number of new houses will be required. The inference that we were presumbly asked to draw from the right hon. Gentleman's observations was that a large number of houses will be built. That is a matter on which I propose to offer a few observations. I am in entire agreement with the right hon. Member for Wakefield

[Sir J. Walker Smith.]

(Mr. Greenwood) when he said that it is not quite so much a question of legislation or statutory powers for the purpose of producing houses as it is a question of energetic and effective administration. I have not noticed that the administration of housing by the Minister of Health has been particularly effective and energetic in the matter of producing houses. As far as it has been within the power of the present Minister to restrict the flow of houses under the Housing Acts, he has restricted it. He has restricted it to the extent of 50 per cent. compared with the number of houses that were approved during previous years. Compared with previous years the total is only half of what it was. That is an indication of the energy with which he applies himself to the production of houses.

He now proposes to use his flying squad, or whatever it may be, and he hopes that it will be efficient and effective. I could have wished that he had used it efficiently and effectively under the Housing Act which was passed in 1931, whereby it was anticipated that about 40,000 houses would be built within 12 months. I think the flying squad must have been in cold storage, for in 18 months there has been arranged to be built about 400 houses. I am at one with the right hon. Member for Wakefield when he says that this is very largely a question of effective administration, but I am not at one with him when he says that the housing standards are greatly endangered by this particular Measure. I do not think that in regard to such houses as may be built—I do not think there will be a great number built—the standards will be gravely affected, when it is remembered that those who may be sufficiently intrepid as to venture upon the building of houses under this particular Bill will first have to run the gamut of the building societies, who will have a great deal to say in regard to standards, then the gamut of the local authorities, and also the gamut of the Minister of Health. I do not think they will get through that filtration any houses of an unsatisfactory standard. If they happen to pass through that filtration, it must be borne in mind that the houses are not houses readily to be got off the hands of the builders or of the persons who may be responsible for providing the houses. They are to be let and to be held as an investment. Unless the builder is extremely unwise he must remember that the houses must be made sufficiently attractive to attract tenants at decent rentals, and also sufficiently well built to prevent his being mulcted in very large subsequent costs. Therefore, the question of the standard of the houses will not be seriously affected.

The Minister relies upon various means for providing houses after having removed by Clause 1 subsidies of all kinds. He relies first upon private enterprise, secondly upon the local authorities, and thirdly upon private enterprise assisted by the building societies. I could have understood the right hon. Gentleman relying upon private enterprise if it had not been for the second Clause. I could have understood it if he had relied upon the first Clause and then said: "For the remainder, I rely enirely upon the free play of economic forces. I leave it entirely to private enterprise to build such houses and at such rents as they like, and if they make large profits, it will create competition." But he does not do that. He does not leave it to the free play of private enterprise. He now tells the whole world that he is setting up a committee who are going to consider a great number of questions, including the establishment of a National Housing Corporation, or something of that kind. Is that an encouragement to private enterprise? Not at all. Private enterprise will say: "We do not know what may come of this. We had better wait a bit, and see." By the provisions of Clause 2 he proposes to give certain guarantees. Those guarantees are to be from the State, from the local authorities and from money supposedly at a lower rate of interest on a very large percentage of the total valuation. Is that encouraging to private enterprise in the ordinary way? Not at all. Private enterprise will stand back and say: "We had better wait and see what is coming along."

If it is a question of opportunism, the right hon. Gentleman has judged well the time to get rid of subsidies. But he has deluded himself into the belief that the cost of houses at the present time represents the market value. They do not. The manner in which he gets his low costs is simplicity itself. It is a simple device. He carried it to extreme lengths in the case of the Rural Workers Act, 1931. Instead of getting a large number of houses built he passed a comb through and through every application, and, naturally, he ultimately only approved a small number of houses. He takes the aggregate and deludes himself into the belief that the average cost is very low. Having deluded himself in this way and by juggling with these fantastic figures he comes to the conclusion that the average cost is this very low figure. It is absurd. His first line of defence fails.

His second line of defence is the local authorities. I do not know what the local authorities are going to say to him. I do not know what their reaction is going to be to the removal of the subsidy. They have been receiving this subsidy for years and have been supplying houses, now, through the Minister of Health, His Majesty's Government announce that it is to be taken away from them, that it is going to be scrapped. I am afraid that their reaction will be the reverse of what the right hon. Gentleman anticipates. It will certainly be so in the case of rural authorities. Rural authorities have had at their disposal £14 15s. by way of subsidy, and they have not been able to supply the goods. The whole of that has now gone, and the Minister of Health comes along with his big stick and says "get along with the work." Is it not absurd to think that he can have any possible success under arrangements of that kind? That disposes of his second line of defence.

His third line is the arrangement with the building societies. I am really perturbed in regard to this arrangement. My first fear is that building societies are really not seriously intended to operate this particular Clause of the Bill. I have no doubt that they will do so if they have heaps of money to spare and have no better use to which to put it but they are not in the least likely to do it if they can find any other outlet for their money. I do not suppose that they have any such enormous sums of money available. If they have gone carefully into the question of the valuation of their assets they will come to this unfortunate conclusion, that they have no enormous sums of money because the fact that prices have been falling rapidly will show that their assets are not particularly well secured.

They may believe that the flow of money will continue into their coffers. I quite agree that it has been flowing into the coffers of building societies for some years; but why has it been flowing there? It has not been coming from the class of person who was originally expected to make his investments in building societies. It has come from the capitalist class, who thought that it was a fairly safe and lucrative form of investment. They have put their money into building societies, not in shillings and pounds, but in thousands of pounds, up to £5,000. That is where the money has been coming from, simply because it was looked upon as good security. Furthermore, building societies have been able to pay fairly high rates of interest, comparatively high rates, and they have been able to do so because they made arrangements with the Inland Revenue whereby they have escaped about one-half of the normal Income Tax. Now the Inland Revenue people are alive to this, and they have made such alterations that building societies will have to pay twice the Income Tax which they have previously paid; with the consequence that money will not flow freely and rapidly into the coffers of building societies as it has done in the past.

Imagine, however, that these difficulties are overcome and that an intrepid developer decides to try his luck under this scheme. He purchases his land and prepares his scheme. He submits it to the building society. The building society may say, "we will have nothing whatever to do with your scheme. We do not like the land; we do not like the plans; we do not like anything about it. We do not want to argue the point with you; there is no money for you." But they may think that there may be some money in it and tell the developer that the rate of interest is at such a rate. The developer may think that it is not quite so favourable as he anticipated. The society say, "never mind, take it, or leave it." Then in regard to the question of valuation, the building society is bound to look into this matter as they intend to advance 90 per cent. of the money, whereas previously they have been accustomed to advance 70 per cent., on a rather good class of house to be occupied by the owner. They may say, "our security is not quite so good and we shall have to be much less optimistic

[Sir J. Walker Smith.]

in making our valuation." Therefore, the valuation will be low and the developer will be disappointed.

If these difficulties are overcome and the developer decides to carry on, he goes to the local authority. The local authority is not pleased to see him. They will be either keen on housing or they will not be keen. If they are keen they will want to build the houses themselves and continue under some such arrangements as they have been working under in the past. Those authorities which are particularly keen on housing will not be particularly keen to give him the guarantee. He will find the cold shoulder there. And those local authorities which are not keen, there is no reason why they should enter into any such guarantee at all. Whether the developer goes to those authorities which are keen or to those which are not, he is going to get the cold shoulder just the same.

But suppose all these difficulties are surmounted, there is still another in the person of the Minister of Health. He goes into all these questions, into the number of houses to be erected per acre, into the superficial area, in feet and inches; he is going to fix paths, he is going into any mortal thing that he cares to inquire into. Is it conceivable that many houses will be built under arrangements of this kind? That is the whole idea of a Bill which the Minister of Health has introduced for his great attack upon slum clearance. He thinks that under this Measure he will get an enormous number of houses built. I do not agree with him. No one knows better than I what effective administration will do at any time. Under the administration of the present Chancellor of the Exchequer no less than 300,000 houses were built in one year, and they employed about 600,000 operatives. Now we are down to a miserable dribble. Much could be done with greater drive and greater administrative efficiency.

9.24 p.m.

Major NATHAN: No more formidable or devastating attack will be made upon the Bill than that which has just been made by the hon. Member for Barrow (Sir J. Walker Smith), and it is all the more formidable and devastating because the hon. Member speaks with exceptional knowledge, experience and authority on the subject. The grave and serious statement which the hon. Member has just made deserves the most serious attention of the House in considering its action upon this Bill. I take it for granted that the hon. Member for Barrow will show his courage and independence, will show that he is prepared to give practical expression, as far as an hon. Member can, to the sentiments he has just expressed, by going into the Lobby with those who will vote in opposition to the Third Reading. The statement made by the Minister in moving the Third Reading was a very important and remarkable statement. It neither depended upon nor emerged naturally from anything in the Bill before the House. Indeed, it could have been made equally well long before this Bill was ever introduced. As I followed his statement, the action he is proposing to take depends not upon the contents of the Bill but upon the provisions contained in the Housing Act, 1930. When I heard the right hon. Gentleman say he desired to give an assurance of deliverance to every dweller in the slums and desired to see every house unfit for human habitation dealt with, and the quicker the better; and when, last of all, he said that the Government accepted responsibility for seeing this through, I asked myself why, since the right hon. Gentleman has been Minister of Health from the autumn of 1931, we had to wait for this statement and this policy until the spring of 1933. As far as I can see, there is nothing lacking in the powers of the Minister that would not have enabled him to have made that statement when he first took office.

If, in contradistinction to the administration of the Government in general, the right hon. Gentleman really does propose to follow his words by definite, speedy and precise action, he may rely on Members in every part of this House to support him in carrying through his policy. But what is the policy and programme which the right hon. Gentleman placed before the House on the part of the Government? There is to be a survey. We need no Housing Bill of 1933 to enable him to call for that survey. There is to be an invitation to local authorities to produce a programme for reconditioning and clearance. All that spade work might have been undertaken months ago and both the survey and the programme could have been ready, complete and available so that immediate action could be taken now, were it not for the dilatoriness for which this Government have been so remarkable in every department of public life during the last 18 months. When it comes to action, what do the Government propose to do? The right hon. Gentleman said—and I took down his words—that the Government was the second element in this programme, the others being the local authorities and the force of public opinion. What do the Government propose to do? They propose to stimulate and assist the local authorities in the preparation of the survey and of their programme. Hon. Members desire to know from the Government whether they are going to stimulate and assist the local authorities in building the houses. On that point the right hon. Gentleman, in answer to an interjection, merely replied that the assistance to be given by the Government would be what the assistance had been for some years past. The subsidy would remain as under the 1930 Act and the Government, as far as action on their part was concerned in relation to the building of houses, proposed to do nothing more. I believe that the stimulus of any Government Department, if exercised with energy, may be a very valuable factor, but I should be far more interested to know what action the Government were themselves going to take.

I speak in this House as one who claims upon this subject to have knowledge only of London conditions. The proposals made by the right hon. Gentleman may, for all I know, be of some effect outside London. Upon that I express no opinion one way or the other. As far as London is concerned, I am satisfied that his proposals will he completely ineffective. I invite his attention to the position of such a borough as that which I have the honour to represent, Bethnal Green, which is on the outskirts of the City and one of the inner boroughs of East London. The local housing authority of Bethnal Green is the Bethnal Green Borough Council, but, as the local housing authority, that body has no jurisdiction outside the area of Bethnal Green. That borough is one of the most thickly congested in the country and I believe is the second or the third most thickly populated and overcrowded in the country. There is, in Bethnal Green, and such areas as Bethnal Green in the inner circle of London boroughs, no elbow-room at all to deal with overcrowding and the removal of slums. It is largely a question of decanting, and there is no place in which the displaced population can be decanted within the area under the jurisdiction of the borough council of Bethnal Green. I am not speaking of large areas for decanting. I do not believe that I am using the language of exaggeration, and I certainly have no desire to do so, but I say that there are not half a dozen tenements or houses or rooms fit for habitation available for this purpose in the whole of the borough of Bethnal Green.

When you deal with the housing problem in such an area by way of reconditioning or slum clearance, you must, unless you are to displace the local population, try to find some place in which they can be housed while the work is being done. In Bethnal Green there is no such area. Unless the local park, one of the lungs of that over-populated, densely peopled district be absorbed for the purpose, there is literally no place in which arrangements can be made for the housing of the people during slum clearance and reconditioning unless the population is to be removed. If it is to be removed, it has to be removed outside the jurisdiction of the borough council of Bethnal Green, and they have no power to remove it outside their own area. Suppose the London County Council, which, to a certain extent, has powers concurrently with the local authority, were to provide provision for decanting them, it cannot provide it nearer than Becontree or Dagenham. That involves a time and transport problem, quite apart from the difficulty of the London County Council, or indeed its willingness to find accommodation for the displaced people.

I do not wish in anything I say to be purely destructive. I would make it clear to the Minister and the House that in my deliberate judgment, after making an examination of the matter over a period of years, I am satisfied that such a Bill as this is quite useless for the purpose of relieving congestion or improving the conditions of those who live in such

[Major Nathan.]

an inner borough as Bethnal Green. But I suggest this to the Minister, and I hope that the Parliamentary Secretary when he replies may find it possible to deal with the matter: London presents an extraordinarily complex problem, and it is a problem quite different from that of any other part in the country. I suggest that just as a committee has been set up for various purposes in relation to housing this afternoon, so a special committee should be set up to examine the special problem of the reconditioning of houses and slum clearance in London, to deal comprehensively with the whole problem of London housing. It is not a simple problem. I am fully aware of the fact that the inquiry cannot be either simple or short, but it is mighty well worth undertaking, for upon a correct solution of the problem, if the beginnings of it are not delayed too long, depend the life and health and happiness not of tens of thousands or even hundreds of thousands, but of millions of our people living almost within a stone's throw of this House.

9.38 p.m.

Sir JOSEPH NALL: It is a very extraordinary thing that hon. Gentlemen in their attacks on this Bill have entirely forgotten what has become so apparent to the public at large, not only at the present time, but for some years past, namely, that the efforts of local authorities in house building down the years since the first Act of 1919 have entirely failed to provide the kind of house that was wanted at the amount of rent that the people most in need of houses could afford to pay. I recollect getting up in this House in 1924 or 1925 and pointing out that in those days the administration of housing schemes by the local authorities was entirely futile to meet the most pressing needs even of that time. From that time onward the need has remained unmet year after year. Local authorities in which the Labour party have either predominated or have had a large share of the say, have been some of the worst in that administration, and some of the most extravagant in the application of public funds in this matter.

In no part of the country can this question be more acute than in the city of Manchester, part of which I represent. The Manchester Corporation have indeed constructed widespread and very attractive housing estates, some of the most extravagantly planned and achieved in the whole of this sorry housing story—rents of 18s. and 25s. a week, as if such houses were any contribution for the type of people who for years have been paying 9s. or 10s. a week without any cost of transport to their homes. I was very glad that the Minister, in moving the Third Reading of the Bill, in spite of the protestations of the Labour party, who obviously did not want to hear what the Government intend to do, made it clear that this Bill is necessarily linked up with the major question of slum clearance, to which the public has lately become more alive. The whole sorry story of slum clearance, or the failure to proceed with it, has been largely due to the fact that, to use the words of the right hon. Member for Wakefield (Mr. Greenwood), "the local authorities would not do the dirty work." What are local authorities for if not to do the dirty work? That is their job. But on this housing question they have always failed to face up to the dirty work; they have gone on with the mild and pleasant job of building brand-new estates in open country, where no kind of problem presented itself, and where they occasionally have had demonstrations and exhibits of the latest thing in housing at the highest possible rent. They have neglected the dirty work, one of the prime duties of local authorities.

The right hon. Member for Wakefield told us that he personally objected to living in a second-hand house. It is an extraordinary thing that the Labour party should be very anxious to get back to the second-hand houses of Downing Street, and the right hon. Gentleman himself was very glad to come back to this House on a second-hand election, after losing his seat in the General Election. It would become the Labour party far more in their alleged representation of the working classes if they would drop the cant to which reference has been made, and decant for the time being, not the population of the crowded areas, but decant from the humbug which they have used on this subject.

On this matter of the clearance of so-called slum areas, what the House must realise is that it is impossible in many instances for local authorities to proceed with so-called clearances when there was no possibility of housing the population elsewhere. That is what happened in Manchester. For over two years now that part of the city which I represent has been very considerably perturbed by proposals to clear an area of 1,000 houses, involving the summary dispersal of 4,000 people under the provisions of what is called the Greenwood Act—4,000 people threatened with summary dispersal, with a loss of some £20,000 revenue per year to the city rates, and the utter ruin of traders in the adjacent main streets. That scheme was solemnly passed by the Manchester City Council, put before the Ministry of Health for approval without any real effort being made to provide alternative accommodation, and in spite of the fact that a previous scheme which had been carried out in the same area resulted in a large tract of derelict land being left undeveloped for several years. It is undeveloped to this day.

Clearance schemes of that kind are of no use whatever unless accompanied by the active provision of dwellings in which the people concerned can afford to live. Schemes of that kind are of no use if they deal with one area of a city and have no regard to the needs of the rest of the locality. That is what has happened in Manchester and I was glad to hear the Minister say that he is going to insist on complete surveys of the areas of local authorities, and on a clear programme from each authority as to what is to be done as a result of that survey and that to that programme is to be attached a time schedule. That is essential. That was not done in the case of Manchester. The Corporation, willy-nilly, adopted a scheme for clearing 1,000 houses without any regard to the time to be occupied or the cost of dealing with the rest of the city's bad areas on the same lines, in spite of the fact that even in my own constituency and in some other parts of the city areas could be found in a far worse condition than the larger part of the area which they proposed to clear.

I suggest to the Minister that it would facilitate matters considerably if local authorities were instructed and guided as to the advantage of adopting schemes for areas which are not too large and which do not involve controversies as to whether 50 per cent. of the area and of the properties within the area are sufficiently bad to require this treatment. In Manchester nothing has been done during all these years in the matter of clearance because the area scheduled has been too large and has included a large proportion of property in respect of which no case could be made out for demolition. If they had proceeded reasonably and properly with smaller areas—possibly with several areas containing really bad property—something might have been done provided the schemes were accompanied by adequate provision for housing the dispossessed people.

This Bill is indissolubly linked up with that problem. Under this Bill local authorities will no longer be able to fritter away their own and the State's resources in the provision of garden city villas for the well-to-do. The local authorities will now have to deal with the smaller and cheaper type of house and particularly they will have to direct their attention to the real business of clearing away the inferior dwellings in the poorer areas. Private enterprise will be called in to provide houses for those people who can afford to pay an economic rent and the building societies will be encouraged to build a smaller type of house within the limits that have been indicated. That is the obvious and proper conclusion to this long-drawn-out story of extravagance and waste which has accompanied public policy in housing down the last 10 years or so.

At long last when millions from the public purse have been dispersed in subsidising houses for those who can well afford to pay an economic rent—when the poorest people in my constituency are paying several pence a week through the local rates to subsidise houses in garden suburbs for those who can well afford to pay an economic rent—at long last that kind of thing is to be stopped. The extravagance of highbrow municipalities is to be curbed and they are to be directed to come down to the ground floor of hard facts and deal with things as they are. The Labour party know that they will no longer be able to gibe at the party to which I belong, if this Bill is carried into law, if private enterprise is restored to the place which it ought to occupy in the housing picture, and if local authorities are required to do their function and to look after the dirty work of cleaning up the areas which it is their job to adminster. It is high time that the local authorities realised their duties and got on with those duties

[Sir J. Nall.]

more effectively than they have done in the past.

I am not saying this from any unkind feeling towards the local authorities but I served upstairs for three years on Private Bill Committees and I say frankly after my experience of listening to the promotion of Bills by local authorities that I have never come across such incompetence and humbug as we find in the realm of local government. Let them get on with their proper job of looking after the poorer members of their communities and administering the Acts of Parliament which are there for their guidance. Let the Minister know that he has the support of this House in pressing for a proper survey of the clearance and housing requirements of our great cities. Certainly, in Manchester he will not be short of support in pressing for a common-sense, reasonable plan as against the wild and extravagant policy pursued in the past. Whatever may be the gibes of that futile and ineffective remnant of what was once called the Labour Government, let the Minister realise that it is not only Members of this House who support the present Government, so long as they deal sensibly with whatever topic may come up, but that a great volume of public opinion outside will support him and the Government in insisting upon the economic and common-sense administration of those public funds which it is right and proper to devote to this very acute and important problem.

9.53 p.m.

Sir GEORGE GILLETT: I am rather surprised that in to-day's Debate so few references have been made to the extraordinary changes in regard to the cost of building and interest charges which have so altered the situation since two years ago. It seemed to me that the right hon. Gentleman the Member for Wakefield (Mr. Greenwood) spoke in a way which was rather surprising in view of those changes, because, without having due regard to them one cannot fully appreciate the importance of this Bill. If houses can be built without having to go to the Government or the local authorities for any kind of subsidy then I suppose no one in this House is anxious that a subsidy should be given. If a house can be provided without subsidy for the man who is paying 15s. a week why should not the fact be recognised? In the case of the house for the man who pays 12s. a week, two years ago that house could not be provided without subsidy. To-day it can be provided without subsidy and I cannot see why we should not recognise the profound change which has taken place in house building because of the fall in building prices and in the cost of money, which can now be procured at a cheaper rate than was possible previously.

I have also been rather surprised that it has been taken for granted that because these subsidies are going to be removed, a large share of the building of working-class houses will necessarily be taken away from the municipal authorities. The London County Council 25 years ago, I remember, used to build houses on a purely economic basis, and at that time no one suggested that a subsidy should be given or considered it necessary, and surely many of the arguments to-day have been those of hon. Members who seem to have settled down to the idea that a subsidy is essential for the provision of working-class houses. Even if we recognise that the poorer among the working classes can only get a decent house if there is a subsidy, surely the changes that have taken place in the cost of building and in the price of money lower the rate of subsidy required. Therefore, if the Government are satisfied that, these changes having taken place, the removal of the subsidy will mean that houses can be built by private enterprise, I cannot see that there is any principle involved.

I represent a borough very similar to that of the hon. and gallant Member for North-East Bethnal Green (Major Nathan) in respect to overcrowding. In fact, a few years ago the figures for overcrowding in my borough were the worst in the whole of London. The hon. and gallant Member asked what effect the changes proposed by the Government would have on the borough of Bethnal Green, and I ask the same question in regard to the borough of Finsbury, which I represent. When I look at the facilities that were given to the centre of London three years ago, I find that the London County Council was then building in certain areas outside the county of London, working-class houses to which some of those who lived in our constituencies were able to go and live. They were able to afford the fares, and they were glad to go outside to live. We also had in Finsbury the advantage that came to the borough council of being able to erect some buildings with ths subsidy which they received, but to a large extent vacant land in Finsbury has been covered.

With regard to slum property in Finsbury, however, I was talking the other day to a member of the London County Council, who was, and may be to-day is, the chairman of the housing committee of that body, and he spoke of two of the worst slums in Finsbury, which I have known for 30 or 40 years, and which for years have been scheduled by the London County Council for clearance. During all this period, when all these so-called advantages have been in the hands of the London County Council and the borough council, those slums have never been cleared. I therefore welcome the statement of the Government and my right hon. Friend the Minister of Health to-day with regard to slum clearance. When the hon. and gallant Member for North-East Bethnal Green asks why this was not done 18 months ago, surely he knows that many of the factors that have made it possible to-day were not in existence 18 months ago. The great financial schemes for converting the War Loan had not gone through, and the fall in the value of money had not taken place. Until you had got this change in the value of money you had not got to the position where you could approach the problem and say that subsidies were no longer required.

Major NATHAN: The change in the value of money has no relevance to my argument, which was that the survey and the programme, neither of which require money, could have been made, and might well have been made, and they would then have been ready by now, so that advantage might have been taken of the changed rates of money here and now.

Sir G. GILLETT: I do not think the hon. and gallant Member's explanation has cleared the position at all. Most hon. Members will agree that the subsidy will not be required to the same extent, and I agree that some hon. Members may say that to abolish the whole subsidy is too rapid and that it should have been reduced. That is quite open to argument, but until you had got that out of the way, you could not have concentrated upon the slum clearance schemes which the Government now propose. It is not always possible to see so far ahead as 18 months. For instance, we do not know the exact time when it is advisable to walk across the Floor of the House. [AN HON. MEMBER: "You walked across."] The hon. Member is wrong; I stayed on this side. As far as the borough of Finsbury is concerned, it seems to me that one great advantage is the concentration upon the slum clearance question. When this Measure was introduced, I interviewed one of the greatest authorities in London on the housing question, a man who is not connected with any political party whatsoever, and I asked him what effect it would have upon the borough that I represent. He assured me that, in his opinion, I would get for Finsbury more in the way of slum clearance than I could have got in any way under the existing subsidies. Therefore, it seems to me that the proposals of the Government are certainly well worth supporting by one who represents a division like Finsbury.

The hon. and gallant Member for North-East Bethnal Green stated that there was no site on which you could build the houses that were required except the parks. I can only hope that the question of building on the parks will be investigated in connection with slum clearance. I do not say that it is advisable to build on the park suggested by the hon. and gallant Member, but it is quite a reasonable thing that in central London, where you have parks, you should build on one of these parks and then, in a general scheme of slum clearance, you should afterwards arrange that a new open space should be developed in some other division of London. One of the great difficulties in connection with our parks in London is that there are large numbers of open spaces in one part and densely populated areas, with hardly an open space at all, in another part. If in a slum clearance scheme you can rearrange the parks of London, I see no harm in it at all. There seems to me to be nothing sacred about a park, and that a piece of park might well be used in order to provide the necessary accommodation for those whom you may clear from your slums.

[Sir G. Gillett.]

I hope that in this question, as in so many others, the very widest views will be taken, because unless that is done, I am certain we shall not make any headway. I welcome the proposals of the Government. I agree entirely that this question of the subsidy is an experiment to a certain extent, but I believe that the right hon. Gentleman has retained sufficient control over some of the schemes that are now before him to enable him to extend them, if it is found that at first private enterprise is too slow in stepping in to fill up the gap. I hope, at the same time, that the Government will keep a very careful eye upon the general building problem of some of our great centres. I do not know whether this committee, whose appointment I welcome, will consider the question of public utility corporations. I think it very likely, and I believe that in all probability it will be found that there are large sums of money available which such a corporation could use if required, and that possibly the formation of societies of this kind might help to co-ordinate the building of houses. I am sure that some body, at any rate in a great district like London, where there is an area which even the London County Council does not cover, with a control and a little oversight over the whole problem, is needed if we are to have schemes of building which will meet the needs of the people.

It is not alone a question of building of houses. There is interlinked with it the whole problem of traffic, and, unless we have some body of men who are to be responsible for where the houses are to be placed and how the workers are to find the necessary traffic facilities to get into the centre of London, we may simply drift into confusion. I do not see why the local authorities, working hand in hand with such a body, should not be able to control the extension of London. In that way we may find in the scheme which the Government have brought forward, that at long last a real attempt is being made to deal with the slum problem of London.

10.8 p.m.

Major MILNER: This has been a most remarkable Third Reading Debate. When the Minister moved the Second Reading of the Bill, he devoted nine-tenths of his speech to claiming credit for doing away with the subsidy, and onely one-tenth to mentioning incidentally that this was the occasion for pushing on with slum clearance. The principal claim he made for the Bill was that it would help on the general economy schemes of the Government. To-day, on Third Reading, the right hon. Gentleman reversed that position. He spent nine-tenths of his time in addressing himself to slum clearance, and said very little of the advantages which he claimed for the Bill on the previous occasion. That example appears to have been followed by the great majority of the speakers from the Government side of the House, including the hon. Member for Finsbury (Sir G. Gillett), who still seems to be suffering from the effects of the dinner which I observe the Conservative party gave him the other night. We have also had a tirade from the hon. Member for Hulme (Sir J. Nall), who, I am told by those who have sat in the House for a long time, has never on a previous occasion raised his voice in support of any provision which helped in the direction of clearing away slums in Manchester or anywhere else.

What is the reason for this remarkable change of front? When the right hon. Gentleman first brought forward this Bill, it was received with a chorus of disapproval from every housing authority in the country. Every architect of repute, every association which has to deal with housing, the Municipal Corporations Association, and many other bodies expressed in no uncertain terms their entire disapproval of the Bill and their belief in its absolute uselessness. Then the right hon. Gentleman the Member for West Birmingham (Sir A. Chamberlain) made on Second Reading a most moving speech, and expressed himself, as other speakers who followed him did, as being profoundly disappointed with the proposals which the right hon. Gentleman had to make, and urged him to take some steps in the direction of dealing with the slum problem. These factors, among others, have made the right hon. Gentleman appreciate that his Bill was a complete failure, and that he had better change his direction and camouflage the whole situation by putting forward slum clearance in the forefront of his policy. Slum clearance does not appear in any sense in this Bill. All that appears is the abolition of the subsidy, which has been condemned by housing authorities. Discussions in the House have had some effect on the right hon. Gentleman's policy.

It is a matter of congratulation to us on this side that he is to turn his attention to making use of the Act of 1930, which was passed in the teeth of a good deal of opposition from Conservative Members, and which has enabled the right hon. Gentleman to draw up his proposals for slum clearance. The discussions have also served another useful purpose. They have brought the right hon. Gentleman to heel in regard to cutting off the subsidy instantly on the 7th December, as he proposed in the first instance. He has now agreed, subject to the consent of Treasury, to deal on their merits with applications coming in after that date. That is a considerable advantage which has been gained by debate. Then to-day, under pressure from all parts of the House, he agreed to stipulate that a fixed bath should be placed in the houses approved under this Bill. He refused, however, to agree to that bath being placed in a bathroom, so that presumably baths will still have to be placed in cellars or outhouses or kitchens or in front of the hearth, where there will be little more privacy than exists to-day in the majority of working-class houses. The Bill is likely to prove a complete failure in the purpose for which it was introduced, and the right hon. Gentleman himself must recognise that because of the line that he took to-night in turning his attention for the most part to slum clearance, and in hardly dealing with the provisions of the Bill at all.

It will not produce the goods. It may produce some goods, but it will not produce goods with the proper amenities or under the conditions of workmanship and so on which are, in the belief of the great majority of Members, required. It will produce profits, no doubt, or some profits for those who take advantage of the proposals. It will certainly not produce houses at rents which those who want them can afford to pay, and in this I am supported by most housing authorities, including Sir Ernest Simon. An hon. Member who is a very good friend of mine rather unintentionally misled the House by indicating that building societies did not favour baths in houses. That might have been said by a director of a building society, but it would be an injustice to building societies in general to say that they did not believe in baths. That point does not really affect building societies at all, because they make their advances on valuations, and a bath would be included in any such valuation.

I would put one or two questions with reference to building societies to the Parliamentary Secretary, if he is to reply. I see that some of these societies lend now to owner-occupiers in the London area at 5¼ per cent. May we hope that the societies, in accordance with the promises or representations made to this House by the right hon. Gentleman, will be willing to lend at 4¼ per cent.—one per cent. less than the case of owner-occupiers? If they do, I certainly think that building societies will render a very useful service indeed. I feel confident that they are only likely to lend as sensible business men. If they can invest their money by lending it to owner-occupiers at 5 or 5¼ per cent. they are more likely to do so than to lend it under this Bill at 4¼ or 4½ per cent. In view of the chorus of disapproval which this Bill has met with in all parts of the country and in this House, from every quarter of which has come criticism of one point or another, I submit that the House ought not to give it a Third Reading.

10.17 p.m.

Mr. LOGAN: I would like to make a few remarks in respect of one or two points arising out of the Bill, though at one time I had intended to say a good deal about it, and I may add, should have kept those remarks more strictly to the Bill instead of matters of future legislation. There are one or two points to which the Minister ought to give attention. I trust the Minister is listening. In the City of Liverpool we have been able to buy property adjoining Lord Derby's estate and if we had developed that land we should have been able to put up many houses. If we stop house building some housing body or some speculative person will build on that particular estate. What I want to know is how the present Bill will meet a situation where 1,000 or 6,000 houses may be erected on a large site—where a satellite town may come into existence.

[Mr. Logan.]

We are going to give building societies authority to build houses. This is no smiling matter. If hon. Members are smiling at my remarks I trust they will pay attention to the question of where we shall find ourselves under this legislation when the speculator comes along to take matters out of the hands of the municipalities. We shall require churches, schools, baths, and libraries. I want to know whether uncontrolled power is to be given to these building societies and others in the matter of rentals and as regards churches and the possession of schools. Under present arrangements, when housing estates are being developed in our cities, we give to churches of all denominations the power of acquiring land for a church at about 5s. per yard. Is it to be the case that there will be no question of reversion back to the municipality, and that the church may be called upon to pay £2 or it may be 30s. a square yard?

I am putting these questions because I am interested in housing estates. No mention has been made about churches. The Minister has spoken about houses but he has told us nothing about the amenities that are requisite in housing estates. There is the question of shops, and of which shops will have the opportunity of preferential treatment over other shopping areas which are set up in a particular area. There is the question of whether increased rentals may be charged. I want to know these things in regard to the amenities that are going to make up the satellite towns, because that is presumably what will be the result in the outer areas of our cities when building takes place by the building societies. In regard to those obligations of churches, schools, baths, libraries and shops, apart from the houses, how are the Government going to deal with the question of site values, whether they are to be freehold or what they are to be? We have a right to know. The municipality will no longer be able to deal with these matters, and the Minister thinks that the enterprise of private individuals is going to meet the situation. I am convinced that the Bill is of no use whatever in regard to the housing of the people.

We were gratuitously insulted by the hon. Member for Hulme (Sir J. Nall). I do not expect to get very much manners from Manchester. [*Interruption.*] No. I put it the reverse way, rather. When I was reminded earlier by the Minister that he did not think that one of my colleagues on these benches had the mentality to understand the position and the questions raised in the Bill, I did not wonder that he wanted a moving bath in a house. He reminded me of Diogenes in a tub. One would expect that a Minister would not gratuitously insult an hon. Member who was a Member of a learned profession. We expect insults, and we do not expect to get any thanks.

I am not here concerned whether we have insults or thanks in the British House of Commons; I am here to consider the questions that have been raised in regard to this Bill. We are told that under private enterprise we are to have cheaper houses. We were distinctly told by the Minister in the House a few days ago that rents would be dearer and that the subsidy had got to end. Our houses are to cost us more. I am not able to appreciate that the withdrawing of the subsidy is going to give us cheaper houses. I am wondering when we will achieve the alluring prospect in the outer part of our city of Liverpool, where the artisans and the middle-class who can pay the rentals are offered facilities outside the city, and whether our people who are located in a congested area are to get the slum clearance which is forecast—and which has no right to be spoken of, because it is not before us to-night.

I am interested in housing conditions, because I know the difficulties. As one who has had something to do with housing in a locality, I ask the Minister how he is going to deal with the special problem of those properties which I have mentioned. I do not see any solution. I see, instead, a free gift to the private speculator to get any price he likes for the site of church, chapel, library, or baths, without any control by a Ministry or any interference because of this Bill. There will be no interference with those who are going to exploit people on questions of rental or site value. When we in Liverpool have purchased land which we could fully develop, so as to give, with the low rates of interest, facilities for the housing of our people, I think it is rather late in the day to give to private individuals the right of exploitation of those who have been able to secure sites and will have to surrender them when these private individuals come along.

The problems to which I have referred are problems which I think ought to be answered, and I shall be pleased if the Minister will give an answer.

10.26 p.m.

Mr. McENTEE: My criticism of this Bill is that it will not produce housing, and I think that every Housing Bill ought to be judged by that test. So far as the small houses are concerned, under the Bill the rents must necessarily be higher than they otherwise would be. When the Minister states, as he did to-day and as he did on a previous occasion, that there is only a difference of a few coppers between the rent under these new conditions and the rent that prevailed under the old conditions, I would say, with all due respect, that either he does not know what he is talking about or he is endeavouring to mislead the House. The subsidy of £7 10s. a year represents 2s. 1d. per week. The Minister and his officials know that perfectly well, and there is no Member of the House who knows anything at all about housing and the value of the subsidy who would not agree with me that that approximately is the value of the subsidy to-day.

If that be so, how can the Minister or anyone else say that those people who at present cannot get houses at rents they can afford to pay will, after the subsidy, which is valued at 2s. 1d. per week, is taken away, be able or more likely to secure houses at reasonable rents? I should have been glad if some Member could have given me some indication of how that can be done, and I shall be glad if the Parliamentary Secretary, who appears to be going to reply, is able to tell the House how, after the withdrawal of the subsidy which was given to the local authority and passed on by them to the tenant in the form of reduced rent, and which is valued at 2s. 1d. per week, he or anyone else can say that it will be possible to let houses to tenants at a rent approximating to the rent that exists to-day. It is just sheer nonsense to talk, as the Minister and many others have in this Debate, about the fall in the prices of materials and in the rate of interest. Those conditions exist to-day, before the passing of the Bill, and they will exist to-morrow, immediately after the passing of the Bill, but the fact remains that the value of the subsidy will be withdrawn, and, having been withdrawn, it must either be added to the rent, and consequently the rents must be higher, or it must be paid by somebody, and the only people that could pay it under the Bill would be either the builders themselves or the building societies. No one in his senses imagines that either of them is going to pay it, and everyone must know perfectly well that one of the main effects of the Bill will be to increase the rents of the people who get houses under the new conditions that the Bill sets up.

I was extremely interested in the conversion of the Minister to the principles of the 1930 Act. I have waited rather patiently for a couple of years in the hope that he would do something to put that Act into operation effectively, and the Minister to-day, it appeared to me for the purpose of covering up the ineffectiveness of this Bill, dealt with an Act of Parliament which he has had the opportunity of administering, if he desired to do so, for the past two years but which he and the Department have taken no steps whatever to put into effect. He knows it, the Parliamentary Secretary knows it, every official in his Department knows it, and every Member of the Government knows it. They have taken every possible opportunity to delay the Act, to put it back and to make it as ineffective as they could during the last two years, and this death-bed repentance of theirs and the promise to do something better in the future is rather late in the day.

After all, what is this new policy that he has declared? He says they are going to have an inquiry. He could have had an inquiry under the existing law two years ago. That is not a new power under this Bill. He says, further, that they are going to ask the local authorities to have a programme. He could have done that two years ago. That is not a new power under the Bill. Then he says, "If they do not do this, we are going to come down upon them," in very much the same way as the Church comes down on the unfortunate people who live in foreign countries and do not live up to our standard of religious teaching. He is going to send them a tract, and tell them that they are very bad boys. He appears to imagine that the circular is going to stir them up. If they do not sumbit to the authority of the Ministry

[Mr. McEntee.]

on receiving and reading the tract, he is going to send a missionary to them in the form of an inspector from the Department. One of our troubles in regard to housing in the past has not been that we needed any of these tracts, or missionaries, but that we had too many of them, and were prevented from getting on with the job of housing both under the Slum and Clearance and other Acts by the multiplicity of tracts and inspectors, and people who held up very often by ridiculous inquiries the actual building of the houses. This Bill will not give any new houses as far as I can see. I am very much concerned also, as one who was sent here by a population almost entirely working class, to know to what extent the working classes who are going to build those houses are to be protected.

As a member of a local authority, I see that we are losing the subsidy. The local authorities are not only losing the subsidy themselves but, in addition, they are to be compelled to pay a subsidy to someone else, or to guarantee it in the event of loss. Why should we do it? Why should we be compelled by this Ministry to take up a guarantee to enable people to say that their profits in the future will be certain? We used to hear a good deal from the Minister himself about the risk that the capitalist class take, but that risk, as far as this Bill is concerned, has gone altogether. They are to take no risk in the future worth speaking of. The risk is to be taken by the municipality and the Government, who each take two-thirds of the extra 20 per cent. risk, and only 6⅔ is to be taken by the people who gain all the profit. There is to be no sharing of any proportion of profit if it arises. It is not suggested that the municipality shall take 6⅔ of the profit. We are only coming in if a loss is sustained. We shall have to bear the loss in the form of additional rates. We have far too many burdens to bear already. There is not a local authority in the country which will thank the Minister for adding the extra burden and the risk.

The Bill itself is bad in every respect. It gives no protection to working men, and takes away that which they have already under local authorities. It will add extra burdens upon the ratepayers in the form of losses which they will have to bear, and it will put an extra burden upon the taxpayer in a similar way. It is private enterprise alone which can make a profit out of it at the expense of the public. The Bill will be carried, but it will not fulfil its supposed purpose, which is the building of houses. It will fulfil its real purpose in the eyes of the Minister, which is, to enable private enterprise to exploit the public further and get larger profits than they otherwise would.

10.37 p.m.

Mr. HICKS: I rise to support the Amendment of my right hon. Friend the Member for Wakefield (Mr. Greenwood). We are a little behind the schedule, but it only goes to indicate how very seriously Members of the House of Commons view the proposal to change entirely the methods which have recently been employed for house building. Our main reason for supporting the rejection of the Bill is that, instead of shouting "full steam ahead" as far as housing is concerned, the Bill puts the housing machinery into reverse gear. That is very definitely my feeling in regard to the Bill. That the machinery which we have built up with ever so much patience, care, anxiety and skill over the past 12 or 13 years should now drop into disuse, or be dealt with very gingerly, is a profound mistake in dealing with the housing problem. As all my hon. Friends have stated, and also the hon. Member for Barrow-in-Furness (Sir J. Walker Smith)—and I congratulate him—who reinforced our arguments very substantially, we are now to have house building, as far as providing new houses are concerned apart from slum clearance, left in the hands of private enterprise. We shall be as pleased as the Minister will be happy if they are able to produce the houses, but we are satisfied in our own minds that private enterprise, particularly through the agencies which have been suggested, will be unequal to the task of providing the houses in anything like the number required.

The hon. Lady the Member for East Islington (Miss Cazalet) asked the Minister to indicate, in the event of the houses not coming up to the number the Minister required, what steps they proposed to take. What do you think is the number that ought to be built by private enter-price? If we were to state that we should regard the production of 200,000 houses a year as not being a very big proportion of houses that should be built, but quite good, and if we had fewer than 100,000 houses being built by private enterprise, would the Minister then think that private enterprise was not equal to the task? If they built fewer than 50,000 houses in one year under the Bill, at what stage would the Minister regard private enterprise as not being equal to the task of providing the houses?

For the life of me, and this will be the only chance I shall have to explain my opinion, I am unable to see how the building societies can lend money cheap enough for the building of the houses. If the building societies are guaranteeing to their members 4 per cent. interest, without tax, and if it requires at least 1 per cent. for administration expenses, I cannot see how the building societies can lend money at 4 per cent. What right have we to ask people who invest their money in building societies to lend their money for housing, any more than we have a right to ask anyone else who invests money in materials or other things, or in the selling or conveyancing of land, to lend their money at a particularly cheap rate because they are connected with a certain organisation. There is no morality or righteousness in that. I am unable to see how the building societies can do it. I have never decried the building societies. I have said on many occasions that many people who own their own houses to-day would not have done so had it not been for the agency of the building societies. The societies have done very good work and there is plenty of scope for them to carry on without this proposal of the Government to scrap the whole of the machinery for house building, which we have built up over so many years, and put in its place something which has nothing definite about it. There has been no building society that has stated that it is coming in. There is no pledge in any way. We have to rely upon the word that they are willing to do so in response to the appeal that may be made to them.

The cost of building has been very substantially reduced. It has come down to such an extent that anyone who knows anything about building would regard it now as being very economical. The Minister and the local authorities have done very good work in that respect. Those of us who know how high prices have been responsible at certain times for the holding up of building activities have never failed to appreciate the efforts to bring costs down to as near an economic level as possible. It is possible to build cheaply without building shoddy. Cheap building need not necessarily be shoddy building. Cheapness is a relative term. We have relatively cheap building to-day. The standard of building has advanced very substantially and the quality has advanced also. When the hon. and gallant Member for Hulme (Sir J. Nall) was speaking I could not understand his mental approach to this problem. He referred to the statement about dirty work by the right hon. Member for Wakefield. The dirty work to which the right hon. Member for Wakefield referred were the slums that the municipalities had to clear. The municipalities have not been responsible for building the slums. The same sort of private enterprise that built the slums are now being handed the job again.

Sir J. NALL: What the right hon. Member for Wakefield (Mr. Greenwood) said was that he objected to the local authorities being called upon to do the dirty work of clearing the slums.

Mr. HICKS: The point was that the local authorities have this job to do. I am very sorry that it has not been done without them, but apparently private enterprise is unable to tackle the problem. I was sorry to hear the hon. Member refer to the type of houses built by municipal authorities. They are not the type which will degenerate into slums. It would be as well if hon. Members would not endeavour to tackle 20th century problems with 19th century ideas. I submit that the standard of building has substantially advanced, and we should congratulate ourselves upon it, and do all we can to maintain the standard. I have grave apprehensions regarding the unrestricted form of private enterprise which is to have the job of erecting houses under this Bill. I am rather apprehensive as to the type of house we shall get. We want to give our people something more than a mere form of shelter from the blast. We should give them something substantial; something in which they can take a pride. I am afraid that under this Bill the jerry

[Mr. Hicks.]

builders will get a great deal of the work. I am not afraid of the large building concerns, dozens of them who are members of the Employers' Association, who have many years' experience behind them and who know their job, but I am of those people who because they have won a crossword puzzle think it gives them an excuse to exploit the public as house builders. I am afraid that the jerry builder will come into this question. Take the type of house which he has built. It is generally a beautiful looking house, with pebble front or rough casting, but that is only a veneer to cover very shoddy work generally; the worst type of building.

Mr. PIKE: Is that the type of house which was built under direct labour?

Mr. HICKS: I should have thought houses built by direct labour did not require a clerk of works to exercise constant vigilance. In nearly every house built by private enterprise you were so afraid of the quality of the material not coming up to specification that you had to have a permanent policeman on the job, a clerk of works, to see that the quality of the timber used was up to specification and the proportion of sand to cement was correct. When the builder's labourer was asked what was the usual proportion he said, "fifty-fifty," one-half sand and the other half sand; but that on occasions it varied in the proportion of six to one, that is six of sand and one of water. I know something about the building trade and I have warned the House before that there is nothing which lends itself to greater adulteration than house building. The unrestricted competition which will go on, and the prices which will be imposed, will produce this kind of handicap, together with many other things.

Putty and paint cover an enormous number of sins in the jerry-builder's houses. Hon. Members should remember the sort of working-class houses that are often put up, and it would be a good thing if they could live in some of them. There are such points as the windows, the hinges on the doors and the screws. There is the quality of the slates and the number of nails that are put in the slates; and the question of the chimneys, the gables and so on. A clerk of the works is necessary if you want healthy houses, with good damp-proof courses and good sanitary conditions, not damp-proof only from the bottom but from the top, which will prevent rain coming in and draughts and other defects. Unless you get this valuable machinery, which I am very anxious to preserve, that has been built up by firms of great repute available for the use of the country, then what an hon. Gentleman referred to the other night about nailing the skirting and picture railing into the gas pipe, will be repeated.

Another point is as to the labour in the building trade which has been made available as a consequence of the appeals of successive Governments for an increase in the personnel of the industry. We had the whole of the Press and the Government pleading with the building trade operatives to increase the personnel, and the result is to-day there are hundreds of thousands of them standing idle. Some 30 per cent. of them are unemployed, and a large proportion are under-employed. I am apprehensive as to whether the fair wage provision will apply. I made these proposals when we were in Committee, but was unable to get them acepted. The Minister told the House that he would do the best he could in the circumstances by sending out a circular about fair wages. I am very desirous that this should be in the hands of reputable builders and skilled labourers, working trade union hours, in order that they may be able to build the type of house which shall not be shoddy or adulterated, but fit for people to live in.

I am also very concerned about the question of the size of the houses. What right have we to-day, for the purpose of our own convenience, to agree to a type of house which in another 40 years may become slums and thus hand on to a successive generation the same kind of problem with which we are faced now? The Minister here is pleading for the tackling of the slums. So we all are. for there are over 3,000,000 people living in them. Everyone is agreed that they must be tackled—every social writer, sanitary inspector, medical officer and social worker deplores the abominable condition of the slums, but while we are doing that, I hope we shall take very severe steps to see that we are not going to have in future the same kind of shoddy jerry-building which has degenerated into slums. The hon. Member for St. Albans (Sir F. Fremantle) is nodding his head, and I am sure we shall get his support. We always do until we go to vote. He always gives us great encouragement in advocating these things and speaks with fluency in favour of them. He has a sort of progressive squint in his eye, but sees reaction when it comes to voting.

I want to see the widespread poverty in housing reviewed, and something more achieved than we are doing at present. Instead of reversing the engine of progress we ought to be getting up full speed so as to go straight ahead. I am sorry that the Minister has not availed himself of our practical proposals for amending the Bill. I am sorry that he has not accepted proposals to extend the period of the subsidy, and to take greater powers to himself where local authorities have made substantial progress in the purchase of land. I am sure that the problem as a whole is much bigger than this House yet realises. It certainly requires bigger and better treatment than this Bill provides. We are dissatisfied with the Bill. In our opinion it is reactionary in its general propositions, and we shall be obliged to vote against it.

10.56 p.m.

Mr. SHAKESPEARE: Those who have sat through the Debate will agree that it has been the most useful and the most vital of all the discussions that we have had. I have been asked to answer innumerable questions, and I hope no one will accuse me of discourtesy if I do not now answer the old questions that have been put to me. I will answer the new questions that have been raised, in the order in which I have them here. The hon. and gallant Member for North-East Bethnal Green (Major Nathan) referred to the problem of London, which is rather different from the problem of any other city. He talked about reconditioning. At this late hour I have not time to develop my argument at length, but I would say to the hon. and gallant Member that if he will pay a visit to Kensington he will see reconditioning going on there as well as it can be done. It is being done under the guidance of Lord Balfour of Burleigh. I invite him to spend a day there and to see the possibilities of reconditioning and of the improvement area. I wish the authorities in London would explore more the improvement area procedure.

The hon. and gallant Member for Hulme (Sir J. Nall) brought a blast of ozone into our Debate, and I welcomed his speech. It was not merely a sentimental contribution but the speech of a practical idealist. I know the area to which he referred. We shall welcome the hon. and gallant Gentleman's help, in co-operation with that of the Manchester Corporation, in resolving their difficulties. I had the opportunity lately of conferring with the Manchester authorities, and I am extremely hopeful that they, with the assistance of the hon. and gallant Gentleman, will be able to solve some of the difficult slum problems that have been worrying Manchester for so long. The right hon. Member for North Cornwall (Sir F. Acland) made a constructive speech and asked a number of questions. He asked who would pay the 10 per cent. under the guarantee. I presume that the investor will. If the builder is the investor, as on occasion he may be, the 10 per cent. will be his money. If not, the mortgage will be assigned from the builder to the investor, and the investor will take over the mortgage and need put up only 10 per cent. That is to say, if the house costs £360 the investor will take over the mortgage from the building society either direct or through the builder, who will assign it to him, and the investor need put up only £36, and then have the house. That is subject, of course, to the terms of the mortgage. He then spoke of reconditioning, and I am glad to recognise that in his county of Devon they had done more in that respect than in any other county. He said that that was largely due to the county architect, but I think that my right hon. Friend had as much to do with it as anyone. We are not compulsorily transferring powers from the county councils to the rural district councils, but in those cases where a county council is not operating a scheme and a rural council wishes to operate it, we shall assign powers to them. He also asked if we would take steps to galvanise the rural authorities in the matter of slum clearance as well as the urban authorities. I can assure him that we shall consider what is the best way of doing so, whether by circular or otherwise, but we are very anxious that the

[Mr. Shakespeare.]

rural authorities, together with the urban authorities, shall get a move on with this problem.

I was rather disappointed in the speech of the hon. and gallant Member for South-East Leeds (Major Milner). He spoke as though he were annoyed with us for having tackled the slum problem and did his best by raising points of Order to see that the problem was not discussed. I know the hon. and gallant Member's interest in the slum problem, but that was the impression which he conveyed to the House. Surely this is a bigger question than any point of Order, and any time which we can spend on the discussion of such a big problem is not wasted. He asked me what—if the rate of interest on a mortgage in London were 5¼ per cent.—would be the rate under our scheme. In that case it would be 4¼ per cent. or 1 per cent. below the current rate. The hon. Member for the Scotland division of Liverpool (Mr. Logan) is to be congratulated on having raised a completely new point which was a rather difficult thing to do at the end of a Debate lasting over several days. He asked what about the satellite towns? He asked if private enterprise was to build 1,000 houses what we were going to do about the church, the chapel, the shop, the school. [An Hon. Member: "Or the public house."] The short answer is that now that the town planning measure has become law—and perhaps the hon. Member saw the circular in this morning's paper—the local authority will have the right to schedule or zone the area and reserve certain sites for public offices, churches, and so forth.

The hon. Member for East Woolwich (Mr. Hicks) asked how many houses private enterprise was going to build. The assurance which we have is that they will build enough houses to provide habitations for all those now on the unsatisfied lists of the local authorities. The chief point of his attack, however, is that he is afraid that under our scheme the standard of housing will deteriorate. I know that he is very anxious, as all of us are, to maintain the housing standard but he appears to fear that private enterprise will build the same sort of houses as were built 100 years ago. There is not a scintilla of justification for that view, and not a shred of evidence to support it. There is all the force of enlightened public opinion, there are modern by-laws, the new Town and Country Planning Act, and if all these do not prove effective, there is the building societies' guarantee to ensure a satisfactory standard. I cannot imagine the surveyor of a building society guaranteeing any property which is below a decent standard. My feeling is that now that we have brought the building societies into it and their surveyors who have so much experience, the standard is more likely to improve than to deteriorate. Many hard things have been said about this Bill. The Leader of the Opposition said it was a revolution. When I was a boy I used to be told that the advance towards Socialism was the same thing as a revolution. We have gone a long way along the road towards Socialism if, when we suggest a healthy return to private enterprise, that is called a revolution. Anyhow, if it is a revolution, it is one which I can positively recommend to the House. Another criticism levelled against this Bill is that because the subsidy stops, therefore all building stops. The "Daily Herald" went so far, when the Bill came out, as to say:

> "Already the disastrous policy pursued by the Treasury has virtually stopped building."

A month later, however, on the 26th January, it said:

> "New building boom predicted for Britain.
>
> Britain is on the way to a great building boom. This definite prediction can now be made following the publication of Ministry of Labour figures showing that new building about to be undertaken exceeds in value the record figure of £19,000,000."

Then it goes on to show how this will happen, and how the plans of houses passed in the last three months of 1932 constituted a new record higher than the peak figure of 1929.

Mr. LOGAN: Journalistic enterprise!

Mr. SHAKESPEARE: It may be journalism, but sometimes the cruel facts of truth escape even the vigilant pen of the sub-editor. In regard to slum clearance, I do not think that there is anybody in any part of the country who did not welcome the statement of my right hon. Friend that this problem of slum clearance was going to be put in the forefront of our efforts. Not only are we going to call upon the local authorities for a survey and a programme, but we want a time-table of progress. The conditions are set fair and favourable. There was no good doing these things until this Bill had passed the House. With the present cost of building and with the price of money what it is and the subsidy as high as it is, as I have said before in answer to questions, the subsidy under the 1930 Act is equal to a rent subsidy of 5s. a week. With that subsidy a house can now be let at 6s. or 7s. a week all-in, a new house, which should give a habitation to the poorest paid tenant in a slum area, and he can afford that rent.

I am sure that everyone rejoices that my right hon. Friend has made such a vital and vigorous statement, that we are going to press on with this question of slum clearance as it has never been tackled before. You can take two lines on slum clearance. You can say, "No, that is wrong. The only hope for the slum dweller is to go on building Wheatley houses." That is why some hon. Members opposite have criticised us. They say, "Get on with the Wheatley subsidy. That is the only way of clearing the slums." I suggest that if we kept on the Wheatley subsidy, the subsidy would be pooled with the subsidy under the 1919 and 1924 Acts, and instead of giving the advantage of cheap building and low rents to future tenants, that subsidy would be used to reduce the high rents under the Addison Act and the 1924 Act.

Mr. HICKS: No.

Mr. SHAKESPEARE: It is no good the hon. Gentleman saying "No," because at least three hon. Members behind him are nodding their heads and saying "Yes." You can either keep on the Wheatley subsidy, when the benefit might not accrue to the new tenant, but might be spread over the whole of the new construction after the War; or you could do what my right hon. Friend set out to do—abolish the 1924 subsidy and so let private enterprise build the equivalent of the council houses, let the local authorities do what the right hon. Gentleman opposite calls the dirty work. In other words, you must articulate slum clearance with new construction. As long as there are slums, there will be slum dwellers. If you can abolish the slums and articulate slum clearance with new construction, there is a chance of making a dent in the slum problem in the next five years.. As one who has taken a great interest in the subject, and who, during the Recess, took the opportunity of studying it wherever I could, I am profoundly convinced that the cessation of the 1924 subsidy is the necessary preliminary and condition precedent to a real forward drive in the attack on this problem. I cannot speak more plainly than that.

I think I have dealt with every point that has been raised. I do wish that we could take this question of slum clearance out of party politics. We will give the right hon. Gentleman the Member for Wakefield (Mr. Greenwood) all the credit he wants. We have taken his Act, and we find it useful. We can make a tremendous administrative drive to see that local authorities do tackle the problem, but do not let us treat this as a party business. It does not matter two hoots who gets the credit as long as in the next five years a record number of people get out of the slums. I do not care twopence who gets the credit. It will need the assistance of the local authorities, all the public opinion we can get and the influence of every Member if we are to make any real inroads into this problem in the next five years. I look upon the votes against this Bill as direct votes against slum clearance.

Question put, "That the word 'now' stand part of the Question."

The House divided: Ayes, 233; Noes, 66.

Division No. 70.] AYES. [11.13 p.m.

Acland-Troyte, Lieut.-Colonel
Adams, Samuel Vyvyan T. (Leeds,W.)
Agnew, Lieut.-Com. P. G.
Albery, Irving James
Anstruther-Gray, W. J.
Atholl, Duchess of
Baldwin, Rt. Hon. Stanley
Bainiel, Lord
Barclay-Harvey, C. M.
Beauchamp, Sir Brograve Campbell
Beaumont, M. W. (Bucks., Aylesbury)
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Bevan, Stuart James (Holborn)
Birchall, Major Sir John Dearman
Blindell, James
Bossom, A. C.
Boulton, W. W.
Bower, Lieut.-Com. Robert Tatton
Bowyer, Capt. Sir George E. W.
Braithwaite, Maj. A. N. (Yorks, E. R.)
Braithwaite, J. G. (Hillsborough)
Brass, Captain Sir William
Briscoe, Capt. Richard George
Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Col. D. C. (N'th'l'd., Hexham)
Brown, Ernest (Leith)
Brown,Brig.-Gen.H.C.(Berks.,Newb'y)
Buchan-Hepburn, P. G. T.
Burghley, Lord

Burgin, Dr. Edward Leslie
Burnett, John George
Campbell, Edward Taswell (Bromley)
Campbell, Vice-Admiral G. (Burnley)
Campbell-Johnston, Malcolm
Caporn, Arthur Cecil
Castlereagh, Viscount
Cazalet, Thelma (Islington, E.)
Cazalet, Capt. V. A. (Chippenham)
Clarry, Reginald George
Cobb, Sir Cyril
Colfox, Major William Philip
Colman, N. C. D.
Colville, Lieut.-Colonel J.
Conant, R. J. E.
Cook, Thomas A.
Cooke, Douglas
Copeland, Ida
Courtauld, Major John Sewell
Courthope, Colonel Sir George L.
Craddock, Sir Reginald Henry
Craven-Ellis, William
Crooke, J. Smedley
Crookshank, Col. C. de Windt (Bootle)
Croom-Johnson, R. P.
Cruddas, Lieut.-Colonel Bernard
Davies, Maj.Geo. F. (Somerset,Yeovil)
Denman, Hon. R. D.
Duckworth, George A. V.
Duncan, James A. L. (Kensington, N.)
Dunglass, Lord
Elliot, Major Rt. Hon. Walter E.
Elliston, Captain George Sampson
Elmley, Viscount
Emrys-Evans, P. V.
Entwistle, Cyril Fullard
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Everard, W. Lindsay
Fleming, Edward Lascelles
Ford, Sir Patrick J.
Fremantle, Sir Francis
Ganzoni, Sir John
Gillett, Sir George Masterman
Gilmour, Lt.-Col. Rt. Hon. Sir John
Glossop, C. W. H
Gluckstein, Louis Halle
Goff, Sir Park
Goodman, Colonel Albert W.
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Greene, William P. C.
Gretton, Colonel Rt. Hon. John
Grimston, R. V.
Gunston, Captain D. W.
Hacking, Rt. Hon. Douglas H.
Hales, Harold K.
Hamilton, Sir George (Ilford)
Hanbury, Cecil
Hanley, Dennis A.
Hannon, Patrick Joseph Henry
Hartington, Marquess of
Hartland, George A.
Harvey, Major S. E. (Devon, Totnes)
Haslam, Sir John (Bolton)
Heilgers, Captain F. F. A.
Henderson, Sir Vivian L. (Chelmsf'd)
Hills, Major Rt. Hon. John Waller
Hope, Capt. Hon. A. O. J. (Aston)
Hopkinson, Austin
Hornby, Frank
Horobin, Ian M.
Horsbrugh, Florence
Howard, Tom Forrest
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M. (Hackney, N.)
Hume, Sir George Hopwood
Hunter, Capt. M. J. (Brigg)
Inskip, Rt. Hon. Sir Thomas W. H.
Jackson, Sir Henry (Wandsworth, C.)
James, Wing.-Com. A. W. H.
Jamieson, Douglas
Ker, J. Campbell
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Lamb, Sir Joseph Quinton
Latham, Sir Herbert Paul
Law, Sir Alfred
Law, Richard K. (Hull, S.W.)
Leckie, J. A.
Leech, Dr. J. W.
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Liddall, Walter S.
Lindsay, Noel Ker
Llewellin, Major John J.
Lloyd, Geoffrey
Lovat-Fraser, James Alexander
Lymington, Viscount
MacAndrew, Lieut.-Col. C. G.(Partick)
MacAndrew, Capt. J. O. (Ayr)
McCorquodale, M. S.
MacDonald, Malcolm (Bassetlaw)
McKie, John Hamilton
McLean, Major Sir Alan
Macmillan, Maurice Harold
Magnay, Thomas
Makins, Brigadier-General Ernest
Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. R.
Marsden, Commander Arthur
Martin, Thomas B.
Mayhew, Lieut.-Colonel John
Merriman, Sir F. Boyd
Mills, Major J. D. (New Forest)
Milne, Charles
Mitcheson, G. G.
Molson, A. Hugh Elsdale
Moreing, Adrian C.
Morris-Jones, Dr. J. H. (Denbigh)
Muirhead, Major A. J.
Munro, Patrick
Nall, Sir Joseph
Nall-Cain, Hon. Ronald
Nation, Brigadier-General J. J. H.
Nicholson, Godfrey (Morpeth)
Nunn, William
O'Connor, Terence James
O'Donovan, Dr. William James
Patrick, Colin M.
Pearson, William G.
Peat, Charles U.
Percy, Lord Eustace
Petherick, M
Peto, Geoffrey K.(W'verh'pt'n, Bilston)
Pickford, Hon. Mary Ada
Pike, Cecil F.
Powell, Lieut.-Col. Evelyn G. H.
Procter, Major Henry Adam
Pybus, Percy John
Raikes, Henry V. A. M.
Ramsay, T. B. W. (Western Isles)
Ramsden, Sir Eugene
Rankin, Robert
Reed, Arthur C. (Exeter)
Reid, Capt. A. Cunningham-
Remer, John R.
Ropner, Colonel L.
Rosbotham, Sir Samuel
Ross Taylor, Walter (Woodbridge)
Runge, Norah Cecil
Russell, Alexander West (Tynemouth)
Rutherford, John (Edmonton)
Rutherford, Sir John Hugo (Liverp'l)
Salt, Edward W.
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Sanderson, Sir Frank Barnard
Savery, Samuel Servington
Selley, Harry R.
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Shaw, Captain William T. (Forfar)
Skelton, Archibald Noel
Smith, Bracewell (Dulwich)
Smith, R. W. (Ab'rd'n & Kinc'dine, C.)
Smith-Carington, Neville W.
Smithers, Waldron
Somervell, Donald Bradley
Soper, Richard
Sotheron-Estcourt, Captain T. E.
Southby, Commander Archibald R. J.
Spencer, Captain Richard A.
Stanley, Lord (Lancaster, Fylde)
Stewart, J. H. (Fife, E.)
Storey, Samuel
Stourton, Hon. John J.
Strauss, Edward A.
Sugden, Sir Wilfrid Hart
Sutcliffe, Harold
Thomas, James P. L. (Hereford)
Thomson, Sir Frederick Charles
Thorp, Linton Theodore
Touche, Gordon Cosmo
Train, John
Turton, Robert Hugh
Vaughan-Morgan, Sir Kenyon
Ward, Irene Mary Bewick (Wallsend)
Ward, Sarah Adelaide (Cannock)
Wardlaw-Milne, Sir John S.
Warrender, Sir Victor A. G.
Watt, Captain George Steven H.
Wedderburn, Henry James Scrymgeour-
Wells, Sydney Richard
Whiteside, Borras Noel H.
Whyte, Jardine Bell
Williams, Charles (Devon, Torquay)
Wills, Wilfrid D.
Wilson, G. H. A. (Cambridge U.)
Windsor-Clive, Lieut.-Colonel George
Womersley, Walter James
Worthington, Dr. John V.
Young, Rt. Hon. Sir Hilton (S'v'noaks)

TELLERS FOR THE AYES.—Sir George Penny and Lieut.-Colonel Sir A. Lambert Ward.

NOES.

Acland, Rt. Hon. Sir Francis Dyke
Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Batey, Joseph
Bernays, Robert
Brown, C. W. E. (Notts., Mansfield)
Cocks, Frederick Seymour
Cove, William G.
Cripps, Sir Stafford
Curry, A. C.
Daggar, George
Davies, David L. (Pontypridd)
Davies, Rhys John (Westhoughton)
Dickie, John P.
Dobbie, William
Edwards, Charles
Evans, David Owen (Cardigan)
Evans, Capt. Ernest (Welsh Univ.)
Foot, Dingle (Dundee)
George, Major G. Lloyd (Pembroke)
Greenwood, Rt. Hon. Arthur
Griffith, F. Kingsley (Middlesbro',W.)
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Hamilton, Sir R. W.(Orkney & Zetl'nd)
Harris, Sir Percy
Hicks, Ernest George
Hirst, George Henry
Johnstone, Harcourt (S. Shields)
Jones, Henry Haydn (Merioneth)
Jones, Morgan (Caerphilly)
Kirkwood, David
Lansbury, Rt. Hon. George
Lawson, John James
Logan, David Gilbert
Lunn, William
Macdonald, Gordon (Ince)

McEntee, Valentine L.
Maclean, Neil (Glasgow, Govan)
Mallalieu, Edward Lancelot
Mander, Geoffrey le M.
Mason, David M. (Edinburgh, E.)
Maxton, James
Milner, Major James
Nathan, Major H. L.
Parkinson, John Allen
Price, Gabriel
Rathbone, Eleanor
Rea, Walter Russell
Rothschild, James A. de
Salter, Dr. Alfred
Samuel, Rt. Hon. Sir H. (Darwen)
Sinclair, Maj. Rt. Hn. Sir A. (C'thness)
Smith, Sir Jonah W. (Barrow-in-F.)
Thorne, William James
Tinker, John Joseph
White, Henry Graham
Williams, David (Swansea, East)
Williams, Edward John (Ogmore)
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)
Wood, Sir Murdoch McKenzie (Banff)
Young, Ernest J. (Middlesbrough, E.)

TELLERS FOR THE NOES.—
Mr. D. Graham and Mr. Groves.

Bill read the Third time, and passed.

DONCASTER AREA DRAINAGE (RE-COMMITTED) BILL.

Considered in Committee.

[Captain BOURNE in the Chair.]

CLAUSE 1.—(*Transfer of jurisdiction over certain channels to Ouse Board and Trent Board.*)

Motion made, and Question proposed, "That the Clause stand part of the Bill."

11.22 p.m.

Colonel GRETTON: It may be convenient to inform the Committee that, although on the Second Reading opposition was offered by various boroughs and interests in the area in which the Drainage Board will operate, we recognise that the Bill has been before a Joint Committee in the appointment of which this House shared, and that this House is always very reluctant to disagree with the work that is done by its Committees, unless there is strong ground, or new ground, for doing so. The arguments against the Bill remain the same as they were on Second Reading. In regard to the grievances that are felt by the boroughs, representations were put forward to show that promises made to those boroughs, who are bearing a greater share of the burden, have not been carried out. We recognise, however, that we should only be delaying the Committee by moving an Amendment, but we still hope that there may be future legislation to take more account of the inequalities which have been committed by this House in a Measure by which considerable bodies of people are being taxed to no immediate or remote advantage to themselves. Certainly, a new grievance has been created, and I hope that it will be remedied at a future date. I do not propose to delay the Committee or to ask it to consider Amendments.

11.25 p.m.

Mr. DENMAN: The right hon. and gallant Member for Burton (Colonel Gretton) has expressed the views of the Trent boroughs. Our grievance has not been met, and the Bill returns to us with precisely the same objections which we saw in it at the previous stage. It upsets the 1930 settlement and the balance then agreed to, and does not do anything for the advantage of the areas which the right hon. and gallant Gentleman and I specially represent. But the Committee has unanimously declared against us, and at this stage there is no course open to us but to accept the decision of the Committee. The boroughs have never desired to delay the Bill. They have desired to defeat it, but not to delay it. Like an earlier nefarious act, if it were done, it were well that it were done quickly, and we all agree in hoping that, when the Bill is passed, action will be taken very quickly. For that reason, I do not propose further to oppose the Bill, but would only express the final hope that the Government will be able to see their way to help the board at a later stage of their duties.

11.27 p.m.

Mr. GURNEY BRAITHWAITE: In supporting the remarks of the right hon. and gallant Member for Burton (Colonel Gretton), I desire to say a word on behalf of the City of Sheffield, which is very much affected by this Bill. When the Second Reading was taken, the Minister of Agriculture consoled us with the assurance that the county boroughs would be able to call in the aid of experienced and learned counsel in putting their case before the Select Committee. Unhappily, subsequent events have proved that, although they were able to brief experienced and learned counsel, those experienced and learned counsel have not had the opportunity of being heard. They have, in fact, become experienced and expensive counsel without the opportunity of putting their case.

[Mr. Braithwaite.]

It is an unhappy coincidence that, on the very day when the Committee stage and Third Reading of this Bill are being taken, the area of Bentley has once more been flooded. That is a matter which the whole House will regret, irrespective of party or constituency. But I think we are entitled to point out certain things to the Minister and to the hon. Member for Doncaster (Mr. Molson). The hon. Member, on the Second Reading, pointed out at considerable length that the area which was flooded was no responsibility of the urban council of Bentley-with-Arksey, thereby conveying the supposition that the plans for these houses had not been approved by the local authority—that, in fact, the plans had not been submitted to any authority whatsoever. I am open to correction on the point, but I think he said that, although no plans had been submitted to anyone, and although due warning had been given, the houses were built in the flooded area. I think I am entitled to point out to the Minister that there is no magic in the chanting of incantations—that there is no magic in the words "Ouse Catchment Board" as opposed to the words "Doncaster Drainage Area"—and that these particular houses are likely to be flooded whenever exceptional circumstances occur. My right hon. Friend is perhaps endeavouring to emulate a previous Minister of the name of Canute, who a thousand years ago tried to prevent a flood by the chanting of incantations. While conveying that warning that the transference of the Doncaster area to the Ouse Catchment Board is no more likely to prevent flooding than were the incantations of King Canute, it is our duty as good citizens to accept the findings of the Select Committee and hope that the system that they have recommended will prove to be a better system for this distressed area.

11.30 p.m.

Mr. T. WILLIAMS: As one speech of welcome for the Bill is necessary, it may be as well to make it now instead of on the Third Reading. I wish hon. Members who have spoken could have stood on Doncaster Bridge on Friday, Saturday, or Sunday of last week and seen the hundreds of thousands of tons of water coming from the higher reaches into the lower Don and how the residents of Bentley, who had lived one or two nights of terror, were having their houses flooded, in many cases the water reaching to the ceiling, and being driven for the third time in 18 months from their homes lest they found themselves at the bottom of the River Don or in the tide of the flood. The cold, icy indifference of this House for 30 or 40 years has allowed a problem to grow up which was anyone's and no one's responsibility and has culminated in the cruel disaster which has overtaken those people so quickly and so frequently. The hon. Member for Hillsborough (Mr. Braithwaite) can know nothing at all about the problem or he would not have dared to make the statement he has just made. All the water that is now in the homes of the people of Bentley and other parts of the Don Valley came from the Sheffield direction—at all events, it came out of the Ouse Catchment area. The Doncaster and Don Valley people are in no way responsible for dealing with the water that come from the higher reaches.

Mr. GURNEY BRAITHWAITE: Will the hon. Member explain how this Bill will correct that situation?

The DEPUTY-CHAIRMAN: I must point out that this not a suitable occasion to Debate the merits or demerits of the Bill. I allowed the right hon. and gallant Gentleman to make a statement, but, if it is desired to have a general Debate, we must take it on the Third Reading.

Mr. WILLIAMS: I only want to say that these periodic floods are due to water that comes from the higher reaches, for which the Ouse Catchment Board must of necessity be responsible. The Bill deals with the transfer of powers or responsibilities, and I do not know how any one in any part of the House can complain. They have had their chance. They went before the Select Committee.

Major HILLS: On a point of Order. Is the hon. Gentleman in order in going into the merits of the Bill, and, if he is, should we be in order in answering him?

Mr. WILLIAMS: Surely, Clause 1 is virtually the whole of the Bill, and, unless one can talk about the intentions of the Measure under Clause 1, it is most difficult to know exactly what one can say.

An HON. MEMBER: Well, do not say it.

The DEPUTY-CHAIRMAN: Clause 1 deals with the transfer of the present powers of the Doncaster Drainage Board to the Ouse and Trent Catchment Boards. I am not quite certain how far that affects the provisions of the rest of the Bill, but I do not think that the Motion, "That the Clause stand part of the Bill," is a suitable occasion for a discussion on the merits or demerits of the Measure. It should be on the Third Reading.

Mr. WILLIAMS: If the Debate is to be restricted—and I only intended to occupy a few minutes—and what I am saying is objectionable to the hon. Gentleman, so be it. I will say what I have to say on the Third Reading.

11.36 p.m.

Major HILLS: I wish to say a word on behalf of the small local authorities. In fact, I do not think that I should have spoken if it had not been for the very unhelpful speech which we have just heard from the hon. Member for Don Valley (Mr. T. Williams). The Bill has been very fairly met by the speech of my right hon. and gallant Friend the Member for Burton-on-Trent (Colonel Gretton). It is not only the county boroughs who have to pay; my constituents, without any sort of community of interest with the constituents of the hon. Member for Don Valley, do pay for the draining of the land of the constituents of the hon. Member.

Mr. WILLIAMS: On a point of Order. Is it in order for the right hon. and gallant Gentleman to introduce the question of finance on Clause 1?

The DEPUTY-CHAIRMAN: I would remind the right hon. and gallant Gentleman that it appears to be a matter which would be more appropriate on the Third Reading.

Major HILLS: We raised certain points on the Second Reading, and they have not been met. We have not got the Government grant which was the basis of the Report of the Royal Commission, and we have not the Government assistance which was promised by Dr. Addison. But I cannot oppose the Bill. I cannot oppose it, because it has passed through the Joint Committee, but perhaps chiefly because on Friday last I went through this flooded area. I have very seldom seen a more pitiful sight than the miles of flooded water out there. With all respect to the hon. Member for Don Valley, everybody admits that this work has to be done, and the only question which we who oppose the Bill raised was who should pay for it? That question is still unsolved, or it is solved in a way which is extremely unsatisfactory to my constituents.

11.39 p.m.

Mr. O'CONNOR: I think that I am within the limits of order in supporting what was said by my right hon. and gallant Friend the Member for Burton-on-Trent (Colonel Gretton). Like him, I have the honour to represent a portion of a city which is financially very much concerned with this Measure. We recognise the fact that in the Committee, by an overwhelming decision, the case for the county boroughs was turned down. We recognise the force of that decision, and we do not propose to test it in this House by opposing the Third Reading. We consider that we are bearing a greatly unfair burden for the melancholy privilege of paying the piper for a tune which we neither enjoy nor find stimulating, and—on this we stake our claim—on a future occasion in this House we may have to reconsider the financing of this Measure, and the burdens that are placed upon the local authorities in the catchment areas.

Question, "That the Clause stand part of the Bill," put, and agreed to.

Clauses 2 (*Dissolution of Doncaster Board and transfer of property and functions thereof*), 3 (*Amendment of s.* 10 *of Doncaster Area Drainage Act*, 1929), 4 (*Increased membership of Ouse Board and Trent Board*), 5 (*Provisions as to rating*), 6 (*Compensation to officers of Doncaster Board*), 7 (*Saving provision as to land outside Doncaster District*), and 8 (*Short title and interpretation*) ordered to stand part of the Bill.

Schedule and Preamble agreed to.

Bill reported, without Amendment.

Motion made, and Question proposed, "That the Bill be now read the Third time."

11.42 p.m.

Mr. T. WILLIAMS: It is unfortunate that hon. Members representing the boroughs are not yet satisfied. I entirely agree with the hon. and learned Member for Central Nottingham (Mr. O'Connor) and the hon. and gallant Member for Ripon (Major Hills) that the work should be undertaken and that the Government ought to render some financial assistance. What crime have these people committed in the area? Largely, they are mine workers who must live in the area because their work is there. They have no summer house, no winter house. They are not housing experts in the sense that they can move from one county to another. They live in the area because no other houses are available and if, as the result of a heavy fall of snow or rain, floods take place, they are victims from a cause over which they have no control.

This Bill is simply to transfer powers, but the Ouse Catchment Board will have to bear the full responsibility for the work. I know that I need not invite the right hon. Gentleman's sympathy. He is in full sympathy with the miserable people whom I saw on Saturday and Sunday wading knee deep in water, carrying bedding, etc. to the school or other institutions where temporary accommodation will have to be provided for them for many weeks ahead. If through the transference of the powers of the Catchment Board and, incidentally, the transference of responsibility, there is any hesitation on the part of the Catchment Board, I hope the Minister will treat this as one of the cases to which he referred me on the 14th June last year, when he said that the position as regards grants remains as it was on the 14th June last, namely, that only in cases of the gravest emergency could an application for grant be considered. I have received a telegram from the Bentley Council, which I should like to read. It says:

> "The people of Bentley and Arksey are grief stricken. The floods have invaded hundreds of houses and are still rising. The people are driven to the school for the third time in 18 months. Thousands of acres of agricultural land, with good growing crops, are standing from two feet to eight feet deep in water. The whole of the flooding has come from the higher reaches of the catchment area. Our people demand that the Government shall take such effective and vigorous steps to deal with the constant menace to their health, comfort and property, as would be taken in the event of an air invasion of their home by a foreign enemy."

I do not know whether the suggestion of the invasion of a foreign army is culled from President Roosevelt's speech. But this is a case of grave emergency. I want to compliment the right hon. Gentleman for having done his best since he took office to get this Measure through, transferring the responsibilities and obligations to the wider area, which has the machinery at their disposal and, I believe, the finance, in the case of no national grant, to see that the work is carried out and thus prevent a repetition of the calamity from which these people are suffering at the moment. During the past 18 months they have had three floods and 1,200 people have been driven from their homes. They have also endured a mine explosion in which 47 lives were lost. While welcoming the Bill I appeal to the Minister of Agriculture to urge upon the Chancellor of the Exchequer the necessity not only of encouraging the Catchment Board to carry out the work but to inspire them with zeal. Governments in the past have lacked a sense of responsibility and have allowed the problem to develop. Now I want the Government to provide some compensation for the cold icy indifference of the past by ensuring that in the quickest possible space of time the Ouse Catchment Board will undertake the draining of the area and thus prevent a repetition of the terrible calamity which has overtaken this area three times in the last 18 months.

11.47 p.m.

Major MILNER: I want to make it quite plain that there never has been, nor is there now, any lack of sympathy on the part of any hon. Member for the inhabitants of this particular area. The matter has been one of principle; and one in which we thought that an inequitable burden was being placed on the county boroughs, and on the smaller boroughs. Some of us think that there has been a withdrawal from the agreement which was entered into by the last

Government. I hope this will be clearly understood in the Don area, and that hereafter, in the words of President Roosevelt, we shall all be good neighbours. Perhaps some readjustment of the financial burden may be made in the future.

Question put, and agreed to.

Bill read the Third time, and passed.

EVIDENCE (FOREIGN, DOMINION AND COLONIAL DOCUMENTS) BILL. [*Lords.*]

Not amended (*in the Standing Committee*), considered; read the Third time, and passed, without Amendment.

ASSURANCE COMPANIES (WINDING-UP) BILL. [*Lords.*]

Read a Second time, and committed to a Standing Committee.

SUPPLY.

REPORT [23RD FEBRUARY.]

Resolution reported,

CIVIL (EXCESS), 1931.

"That a sum, not exceeding £97 1s. 5d., be granted to His Majesty, to make good an Excess on the Grant for the Privy Council Office for the year ended 31st day of March, 1932:

	Amount to be Voted.		
CLASS I.	£	s.	d.
Vote 5. Privy Council Office ...	97	1	5"

Resolution agreed to.

SUNDAY ENTERTAINMENTS ACT, 1932.

Resolved,

"That the Order made by the Secretary of State under the Sunday Entertainments Act, 1932, for extending Section one of the Act to the urban district of Edmonton, which was presented on the 23rd day of February, 1933, be approved."

Resolved,

"That the Order made by the Secretary of State under the Sunday Entertainments Act, 1932, for extending Section one of the Act to the urban district of Hayes and Harlington, which was presented on the 23rd day of February, 1933, be approved."—[*Mr. Hacking.*]

The remaining Orders were read, and postponed.

It being after half-past Eleven of the Clock, Mr. DEPUTY-SPEAKER *adjourned the House, without Question put, pursuant to the Standing Order.*

Adjourned at Nine Minutes before Twelve o'Clock.

HOUSE OF COMMONS.

Tuesday, 7th March, 1933.

The House met at a Quarter before Three of the Clock, Mr. SPEAKER *in the Chair.*

PRIVATE BUSINESS.

Private Bills (Standing Orders not previously inquired into complied with),

Mr. SPEAKER laid upon the Table Report from one of the Examiners of Petitions for Private Bills, That in the case of the following Bill, referred on the Second Reading thereof, the Standing Orders not previously inquired into, which are applicable thereto, have been complied with, namely:

Manchester Ship Canal Bill.

Bill committed.

Private Bills [*Lords*] (Petition for additional Provision) (Standing Orders not complied with),

Mr. SPEAKER laid upon the Table Report from one of the Examiners of Petitions for Private Bills, That in the case of the Petition for additional Provision in the following Bill, originating in the Lords, the Standing Orders have not been complied with, namely:

Salford Corporation Bill [*Lords*].

Report referred to the Select Committee on Standing Orders.

Preston Corporation Bill,

As amended, considered; to be read the Third time.

ORAL ANSWERS TO QUESTIONS.

BRITISH ARMY.

MECHANISED BRIGADES.

1. **Brigadier-General NATION** asked the Financial Secretary to the War Office whether he will state the reasons why it has been decided that one of the experimental mechanised brigades is to be demechanised?

The FINANCIAL SECRETARY to the WAR OFFICE (Mr. Duff Cooper): The trials which have been carried out successfully with two Infantry Brigades during the past years have now reached a stage at which only one Brigade is required to complete the experiment. The ultimate object of the experiments is a programme for the gradual mechanisation of the first line transport of the infantry.

Brigadier-General NATION: May I ask whether there is any change in regard to the policy of mechanisation in the Army?

Mr. COOPER: No, Sir; no change whatever.

RESERVE PAY.

2. **Mr. ATTLEE** asked the Financia Secretary to the War Office on what basis and with reference to what standard o living the amount of Army reserve pay given to reservists is calculated?

Mr. COOPER: The present rates o reserve pay are designed to give to Sections B and D the same amount as i 1914 taking into consideration the chang in the cost of living as shown in th Ministry of Labour index figures, and t retain the difference of 6d. between th pay of Section A and that of Sections B and D.

Mr. ATTLEE: Is the hon. Membe aware that public assistance committee are taking these sums into account, an that when the money is paid monthly i is being reduced in cases where there i an unemployed man in the house; and i entirely fails to assist the soldier to kee himself fit?

Mr. COOPER: We have been in communication with the Ministry of Labou in regard to taking this pay into consideration, and I understand that a satisfactory arrangement has been arrived a

Mr. LAWSON: Is the hon. Gentlema aware that the Ministry of Labour ha been given cases—one case I have give myself—where they have taken one-ha of the reserve pay?

Mr. COOPER: That is a question fo the Ministry of Labour.

BRITISH TROOPS, SHANGHAI.

3. **Major-General Sir ALFRED KNO** asked the Financial Secretary to the Wa

Office whether, before coming to a decision with regard to the withdrawal of one British battalion from Shanghai next trooping season, he will, through the Foreign Office, obtain the opinion of local British residents on the subject?

Mr. COOPER: My hon. and gallant Friend may rest assured that the question of the withdrawal of a battalion from Shanghai will be discussed with the Foreign Office in all its bearings before a decision is taken.

TERRITORIAL ARMY.

4. **Mr. LEVY** asked the Financial Secretary to the War Office what steps are being taken to make good the shortage of 40,000 in the numbers of the Territorial Army, apart from the decision to hold the Territorial camps this year?

Mr. COOPER: I would refer my hon. Friend to the reply which I gave on 7th February to my hon. and gallant Friend the Member for East Lewisham (Sir A. Pownall).

Mr. LEVY: Will the hon. Member do his best to see that this important reserve is not allowed to decline so seriously owing to the pursuit of undue economy?

Mr. MANDER: Is it not a fact that many of the duties of the Territorial Force can be taken over by the Royal Air Force with considerable economy, and just as much efficiency?

JERSEY.

5. **Sir NICHOLAS GRATTAN-DOYLE** asked the Financial Secretary to the War Office why it is necessary to maintain in Jersey two officers and three other ranks of the regular forces other than the Lieutenant-Governor; and whether, in the interests of economy, he will consider providing the Lieutenant-Governor with a civilian staff drawn from local residents?

Mr. COOPER: Military personnel are essential. The Lieutenant - Governor, who also commands the Royal Militia of Jersey, must have a staff officer and a military clerk to assist him in his duties; and the rest of the personnel are specialists in Royal Engineer services required for the maintenance of all barracks, roads, etc., and the administration of the War Department estate in the three Islands.

Mr. PIKE: Will the Financial Secretary consider the advisability of increasing other ranks by 25 per cent. in order to allow them to enjoy the pleasure of forming fours occasionally?

SCOTLAND.

SMALLHOLDERS, BERWICK AND EAST LOTHIAN (RENTS).

6. **Captain McEWEN** asked the Secretary of State for Scotland whether, in view of the worsening conditions in agriculture, especially in respect of barley, oats, and potatoes, he will now take steps to give effect to the joint request of the smallholders in the counties of Berwick and East Lothian for an immediate reduction of rent?

The SECRETARY of STATE for SCOTLAND (Sir Godfrey Collins): I would remind my hon. and gallant Friend that the smallholders on the estates of the Department of Agriculture for Scotland in the counties of Berwick and East Lothian are entitled to periodical revision of rents by the Land Court with, in some cases, the alternative of a single Arbiter. I find that since entering their holdings, 96 of the 197 holders on the Department's estates in these counties have qualified to claim revision of rent, and that while the majority of them have had this right for several years, only 12 of them have exercised it. In all the circumstances I am not satisfied that it is necessary to take action on the lines suggested in the question.

Captain McEWEN: Are we to understand that the State, as a landlord, is going to be less generous than private enterprise?

Sir G. COLLINS: I do not think there is anything in my answer which would warrant the hon. Member giving it that meaning.

MAGISTRATES' CONVICTION, GLASGOW.

7. **Mr. McGOVERN** asked the Secretary of State for Scotland if he has yet reviewed the evidence in the recent bribery trial in Glasgow High Court; and if he is able now to announce the setting up of a judicial inquiry?

9. **Mr. LEONARD** asked the Secretary of State for Scotland whether he has considered the communication sent to him

[Mr. Leonard.]

from the town clerk of Glasgow, indicating the unanimous decision of the corporation to press for a judicial inquiry under the Tribunals Act in order to dispose of the allegations of graft now circulating in the city; and whether he will now take immediate steps to institute such an inquiry?

Sir G. COLLINS: I have not yet completed my consideration of this matter and am not yet in a position to intimate a decision.

Mr. McGOVERN: Might I ask the right hon. Gentleman, in view of the Crown statement at the trial, that five members of the committee out of nine were in the know in connection with the graft alleged to be going on, and the widespread interest in Glasgow due to these allegations, if he will give an undertaking to the House that he will be able, at a very early date, to make a public announcement on this matter?

Sir G. COLLINS: I hope to make a statement on this subject on Thursday.

Mr. LEONARD: Will the right hon. Gentleman state if he is preparing to accept, as one of the determining factors in coming to his decision, the unanimous decision of the Glasgow Corporation asking for this inquiry?

Sir G. COLLINS: I can assure the hon. Member that all relevant considerations will be taken into account.

OATS.

8. **Mr. JAMES STUART** asked the Secretary of State for Scotland whether he is now prepared to make a statement as to the steps which the Government proposes to take to assist the growers of oats in this country; and, if not, when he will undertake to make a statement on this subject?

Sir G. COLLINS: I am sending to my hon. Friend a copy of a statement issued to the Press following upon a meeting I had last Friday with a representative deputation of agriculturists. I cannot at present add anything to that statement.

PUBLIC HEALTH SERVICE.

10. **Mr. GUY** asked the Secretary of State for Scotland if he will institute an inquiry into the public health service in Scotland from the health, social, administrative and financial points of view, as recommended by the Committee on Local Expenditure (Scotland)?

The UNDER-SECRETARY of STATE for SCOTLAND (Mr. Skelton): This was one of the recommendations in the report of the committee referred to. The report is at present receiving my right hon. Friend's consideration, and he is not in a position to intimate a decision on this one point.

HOUSING CONTRACT (WAGES).

11. **Mr. BUCHANAN** asked the Secretary of State for Scotland if he is aware that 32 men who were working on the building of houses at Cardonald, near Glasgow, under a scheme for which the Government were providing a subsidy, received no wages for two weeks, and that the contractor, Mr. Coyle, failed also to stamp the men's insurance cards; what steps it is intended to take to see that no subsidy is paid until the wages due are paid; and what steps have been taken to insure the men's cards being properly stamped?

Mr. SKELTON: I am aware of the facts in this case. Mr. Coyle, the defaulting employer, was engaged as a subcontractor for some preliminary work in connection with the erection of houses at Cardonald which are being provided by a company of builders under the corporation's scheme of assistance to private enterprise. I am informed that there has been no contravention of the rules and conditions under which the State subsidy is payable and provided that the houses are duly completed to the satisfaction of the corporation and of the Department of Health for Scotland, my right hon. Friend has no power to withhold payment of subsidy from the principal contractors. As regards the last part of the question, efforts which have been made by the Department to trace Mr. Coyle have so far been unsuccessful, but steps are meantime being taken to ascertain in the case of each employé the precise liability in respect of unpaid insurance contributions and an opportunity will be given to the men to safeguard their position as regards benefits by themselves stamping their cards.

Mr. BUCHANAN: Am I to assume that the Government are prepared to pay a subsidy to the main contractors for houses completed when the men have not got their wages for work in connection with those houses; and, in view of the fact that this contractor knowingly gave a sub-contractor the job to undertake, although he knew that he was of no substance, will the Under-Secretary not reconsider the case? May I also ask if a warrant has been issued for this man's arrest, seeing that he has been guilty of criminal neglect in not stamping the cards?

Mr. SKELTON: In answer to the first part of the supplementay question, I regret that the Secretary of State for Scotland and the Department have no power to take the action which my hon. Friend suggests. The payment of the subsidy cannot be conditioned as my hon. Friend suggests. With regard to whether a warrant has been issued or not for the arrest of this man, I am not able to tell my hon. Friend that in terms, and upon that point I cannot add to what I have already said, that efforts are being made to deal with this question. With regard to the issue of the warrant, I will make inquiries and inform my hon. Friend.

Mr. BUCHANAN: Am I to understand that, if houses are built, and the wages due to the men are not paid, this House will pay a subsidy on those houses, although the men have not received their wages. Ought not the subsidy to be determined, as any other payment would be, on the basis that wages should be the first charge upon it.

Mr. PIKE: Can the Minister say whether the fair wages clause operates in respect of the houses?

COAL INDUSTRY (RINGROSE ALARM).

12. **Mr. T. WILLIAMS** asked the Secretary for Mines when he expects to receive the final report of the tests on automatic detectors; and whether such reports will be made available for Members of this House?

The SECRETARY for MINES (Mr. Ernest Brown): I expect to receive reports within the next few weeks on the trials of the Ringrose Alarm at Mosley Common and Houghton Main Collieries. The report from Wales is not due till next month. I cannot answer the last part of the question until I have had an opportunity of considering the reports.

Mr. WILLIAMS: Will the hon. Member say whether, when the report is available, the Miners' Federation will be supplied with a copy?

Mr. BROWN: I will bear that in mind.

TRADE AND COMMERCE.

CANADA AND UNITED STATES (RECIPROCITY).

13. **Mr. MANDER** asked the Secretary of State for Dominion Affairs if he has received any communication concerning the negotiations proceeding between the Canadian and American Governments for trade reciprocity; and whether he will inform the House of the present position?

The SECRETARY of STATE for DOMINION AFFAIRS (Mr. J. H. Thomas): I have received no communication from His Majesty's Government in Canada as to any such negotiations, and am not in a position to make any statement on the subject.

Mr. MANDER: Can the right hon. Gentleman give an assurance that no obstacle will be placed in the way of such a great and worthy attempt to reduce world tariffs?

Mr. THOMAS: I can give no assurance in advance of information.

Mr. HANNON: In reference to the point which has just been put by the hon. Member for East Wolverhampton (Mr. Mander), is it not the duty of my right hon. Friend to carry out our part of the bargain?

Mr. THOMAS: As far as we are concerned, we intend to carry out our part of the bargain.

BRITISH EMPIRE BUILDING, NEW YORK.

15. **Mr. RANKIN** asked the Secretary of State for Dominion Affairs to what extent the Empire Marketing Board is to co-operate in promoting the success of the British Empire building now in course of construction at New York for the purpose of encouraging Anglo-American trade?

Mr. J. H. THOMAS: No proposal for co-operation in this scheme has been brought before the Empire Marketing Board.

COTTON INDUSTRY.

16 and 17. **Mr. CHORLTON** asked the President of the Board of Trade (1) if any steps have yet been taken to offset the competition of the Japanese with the Lancashire cotton export trade by reason of depreciated currency and lower wages;

(2) whether His Majesty's Government have considered denouncing the commercial treaty with Japan in order that this country may be free to take all steps to recover the export markets lost due to Japanese competition; and what decision has been arrived at?

The PRESIDENT of the BOARD of TRADE (Mr. Runciman): I would refer my hon. Friend to the answer I gave to the hon. Member for Stockport (Mr. Hammersley) on the 14th February, of which I am sending him a copy.

Mr. CHORLTON: Is it not possible to speed up the decision, seeing that this is an exceedingly important matter as far as employment in Lancashire is concerned?

Mr. RUNCIMAN: We are in close touch with the representatives of the industry on the subject, and are doing what we can.

Mr. HAMMERSLEY: Could the right hon. Gentleman say whether, so far as his Department is concerned, a decision has been reached?

Mr. RUNCIMAN: My hon. Friend has not stated the subject of the decision about which he asks. I am afraid I cannot answer his supplementary question until I know what he means.

Mr. HAMMERSLEY: A decision on the question of the desirability, from the point of view of the whole of British trade, of abrogating the Anglo-Japanese Trade Agreement?

Mr. RUNCIMAN: Yes, Sir, that question has already received our consideration.

Mr. HAMMERSLEY: And decision?

22. **Mr. HAMMERSLEY** asked the President of the Board of Trade if he can now state on what date he received the representations submitted by the cotton trade in respect to Japanese competition; and what action he proposes to take in the matter?

Mr. RUNCIMAN: I received a deputation from the Manchester Chamber of Commerce on this subject on 21st October last, and since then I have been in constant touch with that chamber. As regards the second part of the question, I would refer my hon. Friend to the reply given yesterday to the hon. Member for the Platting Division (Mr. Chorlton).

Mr. HAMMERSLEY: Is it not a fact that representations in favour of the abrogation of the Anglo-Japanese Agreement have been made to the Board of Trade; and, if that be so, how is it that I receive a reply which is in the contrary sense?

Mr. RUNCIMAN: I think that my hon. Friend must have misunderstood the situation. There are many ways in which the Anglo-Japanese Treaty may be dealt with. The use of the word "abrogation" is not precise enough to enable us to give a complete and emphatic answer to the question which my hon. Friend has put.

Mr. HAMMERSLEY: If the use of the word "abrogation" is not sufficiently precise to enable a reply to be given in an affirmative sense, why was it sufficiently definite to enable a reply to be given in a negative sense?

Colonel WEDGWOOD: Has not the whole difficulty arisen owing to the fall in the value of the yen relative to sterling?

BRITISH MACHINERY (FRENCH SURTAX).

19. **Mr. O'CONNOR** asked the President of the Board of Trade whether his attention has been called to the fact that lace machinery imported from Great Britain into France bears a surtax of 15 per cent. over and above the import tax of 6 per cent., whereas no surtax is imposed upon identical German machinery; whether he is aware that this surtax prevents British manufacturers from competing in the French market against German manufacturers; and whether he will make representations to the French Government regarding this discriminatory tax?

Mr. RUNCIMAN: Strong representations on the subject of the surtax have already been addressed to the French Government, but so far without result. The whole question of discrimination in France against United Kingdom goods is at this moment receiving my serious consideration.

Mr. O'CONNOR: Will my right hon. Friend point out to the French Government that this amounts to a discriminatory tax against their late allies, and a preference in favour of their late enemies?

Mr. GRAHAM WHITE: Is the right hon. Gentleman making full use of his bargaining powers in this connection?

ARGENTINA.

20. **Captain HUNTER** asked the President of the Board of Trade whether he will be prepared to make a statement setting out the results of the present discussions with the Argentine trade delegation on an appropriate and early date?

Mr. RUNCIMAN: I shall be prepared to make a statement in due course, but I cannot at present name a date.

29. **Mr. HAMILTON KERR** asked the President of the Board of Trade whether, as a result of the visit of the Argentine trade delegation, it has been possible to make arrangements to eliminate the exchange difficulties which are preventing an expansion of British exports to Argentina?

Mr. RUNCIMAN: Negotiations are proceeding, and I am not at present in a position to make a statement.

LINSEED AND LINSEED OIL.

23. **Sir FRANK SANDERSON** asked the President of the Board of Trade whether he is aware of the large imports of linseed oil into the United Kingdom in December, 1932, 3,787 tons, in January, 1933, 1,253 tons, and during last week, 790 tons from Russia; and whether, in view of the effect of these imports upon the seed-crushing industry of this country, he will give to the Government of India the necessary notice under the Ottawa Agreement, with a view to removing the duty of 10 per cent. on linseed imported from the Argentine?

Mr. RUNCIMAN: I am aware of the facts stated by my hon. Friend. The duties on linseed and linseed oil provided for in the Trade Agreement with India were not imposed until 1st January, and there is no present intention of notifying and consulting with the Government of India, in terms of Article 14 of the Agreement, with a view to a change in these duties being agreed upon.

Sir F. SANDERSON: Is my right hon. Fritnd aware that the imposition of a 10 per cent. duty on Argentine linseed without an equivalent increase in the duty on linseed oil is jeopardising the industry; and would he consider asking the Advisory Committee to speed up their reply in regard to the recommendations put forward by the industry for an equivalent duty on imported linseed oil?

Mr. RUNCIMAN: I am not myself aware of what has passed between the industry and the Advisory Committee, but I have no doubt that any representations made to them will receive their prompt attention.

TIMBER CONTRACT.

24. **Sir WILLIAM DAVISON** asked the President of the Board of Trade whether he is aware that the contract under which Timber Distributors, Limited, is importing a large quantity of Russian timber at low prices is likely to frustrate the value of the preference given to Canadian and other Empire timber under the Ottawa Agreements; and if any statement to this effect has been conveyed to the company in question?

Mr. RUNCIMAN: The contract, to which my hon. Friend refers, was discussed with the directors of Timber Distributors, Limited, who were made fully aware of the position under Article 21 of the United Kingdom-Canadian Agreement.

Sir W. DAVISON: Is the right hon. Gentleman satisfied that the contract referred to in the question will not interfere with the due carrying out by the British Government of Article 21 of the Agreement?

Mr. RUNCIMAN: I have made it clear to those who are concerned that, if there is any infringement of the stipulations of Article 21, that Article will remain in force.

Mr. T. WILLIAMS: Does the right hon. Gentleman still regard it as a crime to buy cheap timber from Russia or anywhere else?

TIMBER-GROWING INDUSTRY.

26 and 32. **Earl of DALKEITH** asked the President of the Board of Trade (1) what arrangements are being made in the current trade negotiations between Great Britain and foreign countries specialising in timber exports to ensure that the position of the home timber-growing industry is not overlooked;

(2) Who are the advisers of the Government on matters affecting the home timber-growing industry in regard to the current trade negotiations with foreign countries and also general policy?

Mr. RUNCIMAN: My Noble Friend may rest assured that the interests of the home timber-growing industry will be borne in mind in connection with the negotiations with foreign countries and that any representations from that industry are carefully considered. The advice of the Forestry Commission and of trade bodies is sought in appropriate circumstances.

RUBBER FOOTWEAR (IMPORTS).

27. **Mr. HANNON** asked the President of the Board of Trade if he will state the volume and value of rubber boots and shoes imported into this country from Japan in the years 1931 and 1932, respectively; what is the average price, including the duty for children's and misses' wellingtons at English ports, and the corresponding cost of production of similar articles by British rubber-shoe manufacturers; and if he will take measures to safeguard the interests of British manufacturers and their workpeople equal to the difference of the cost of production in this country and Japan?

Mr. RUNCIMAN: I will circulate in the OFFICIAL REPORT a statement giving such of the information as is available. As regards the last part of the question, my hon. Friend is no doubt aware of the action taken in accordance with the report of the Import Duties Advisory Committee, dated 23rd September, 1932, containing certain recommendations regarding the duty on rubber footwear.

Mr. HANNON: May we have an assurance that, in the case of competition of this kind where the costs of production are so far below those in this country, the Board of Trade will carefully watch it and take steps at the appropriate moment to prevent unfair dealing?

Mr. RUNCIMAN: If the hon. Gentleman will refresh his memory as to the report made by the Advisory Committee, he will find that they said that, if abnormal competitive conditions continued, they would be prepared to reconsider the matter.

Mr. BUCHANAN: Is not part of these goods in payment for the munitions that we are sending?

Following is the statement:

The following table shows the total quantity and declared value of the imports of rubber boots and shoes consigned from Japan during 1931 and 1932. I am unable to state the average value of children's and misses' wellingtons on importation into the United Kingdom or the cost of production in this country of corresponding goods, as these articles are not separately distinguished in the trade or production returns.

Imports of rubber boots and shoes into the United Kingdom consigned from Japan (including Formosa and Japanese leased territories in China).	1931.		1932.	
	Quantity.	Declared Value.	Quantity.	Declared Value.
	Doz. pairs.	£	Doz. pairs.	£
Boots	68,447	95,320	170,405	145,657
Shoes:				
Bathing shoes and sandals and the like	167,014	103,411	20,289	10,887
Goloshes and overshoes of all descriptions.			7,225	4,991
Sports shoes, plimsolls and shoes of like character.			318,051	176,074

Note.—The figures for 1932 are provisional.

EMPIRE IMPORTS (SEA TRANSPORT).

28. **Mr. RANKIN** asked the President of the Board of Trade what percentage of imports into this country from Empire sources was carried in British-owned ships during 1931 and 1932, respectively; and what steps are being taken to increase this percentage in view of the recent increase in imports from Empire sources?

Mr. RUNCIMAN: I regret that the information asked for in the first part of the question is not available. As regards the second part, it is not clear that any action could usefully be taken by the Government.

WILTSHIRE AND DANISH BACON (PRICES).

30. **Mr. T. WILLIAMS** asked the President of the Board of Trade if he will state the quoted wholesale price of prime Wiltshire bacon for the latest convenient date, including backs, smoked lean, sizeable, medium, and stout, and the price of similar qualities of Danish bacon per cwt.?

Mr. RUNCIMAN: As the answer involves a number of figures, I will circulate it in the OFFICIAL REPORT.

Mr. WILLIAMS: Can the right hon. Gentleman give the percentage increase of the former over the latter?

Mr. RUNCIMAN: I have not worked it out in percentages, but I am sure the hon. Member will do so quite accurately when he gets my answer.

Following is the answer:

The wholesale prices of Wiltshire and of Danish bacon on 3rd March, as recorded in the "Grocer," were as follows:

	Shillings per cwt.
Wiltshire smoked sides:	
Lean, sizeable	110
Sizeable	108
Medium	104
Stout	100
Danish:	
No. 1 sizeable	68
No. 2 sizeable	65
No. 3 sizeable	62
No. 1 heavy	68
No. 2 heavy	65
No. 1 sixes	62 to 65
No. 2 sixes	62 to 64

CINEMATOGRAPH FILMS (MARKING).

31. **Mr. SMEDLEY CROOKE** asked the President of the Board of Trade if he will consider the advisability of taking steps to make it illegal for films to be advertised or shown without a clear indication of the country of its creation or origin, in the same way as certain goods have to be marked under the Merchandise Marks Act?

Mr. RUNCIMAN: As at present advised, I cannot see my way to introduce the legislation which would be necessary to give effect to my hon. Friend's proposal, but I have noted his suggestion.

SALTED FISH (RE-EXPORTS).

47. **Mr. BURNETT** asked the Chancellor of the Exchequer whether an early decision may be expected upon the recommendation of the advisory committee to the Government with regard to a drawback upon the re-export of salted fish, in view of the arrival of the buying season?

The FINANCIAL SECRETARY to the TREASURY (Mr. Hore-Belisha): I regret that I can add nothing to the official statement which appeared in the Press on the 23rd February.

Mr. BURNETT: Is the hon. Gentleman aware that the export fish curers are at present without stocks, and, unless a decision can be reached at an early date, they will be unable to compete in the South American markets?

IMPERIAL PREFERENCE (EMPIRE CONTENT).

49. **Colonel GOODMAN** asked the Financial Secretary to the Treasury whether the Government will consider appointing Customs officials to reside in the Dominions to check the British requirements for Empire content in the way that Canada and Australia have officials here to check content in respect of articles imported into those Dominions as British made?

Mr. HORE-BELISHA: My hon. and gallant Friend's suggestion has been noted. The Customs authorities are fully alive to the importance of obtaining correct declarations of Empire content, and my hon. and gallant Friend may rest assured that whatever steps are necessary to secure this end will be taken.

FOREIGN COUNTRIES (NEGOTIATIONS).

18. **Captain FULLER** asked the President of the Board of Trade how trade negotiations with foreign countries are proceeding; if any trading agreements have yet been made or are likely to be made in the near future; and, if not, what is preventing it?

Mr. RUNCIMAN: No definite agreements have yet been concluded, but negotiations are proceeding satisfactorily.

IRISH FREE STATE.

14. **Mr. CHURCHILL** asked the Secretary of State for Dominion Affairs the total amount of the annuities and other payments for which the Irish Free State is now in default; the total amount received from the duties which have been imposed on Irish imports; and what steps he proposes to take, by increased duties or otherwise, to secure the British taxpayer against loss?

Mr. J. H. THOMAS: As regards the first and second parts of the question, the sums withheld by the Irish Free State amounted to £1,750,000 by the 15th July, 1932, when the special duties came into force. The sums withheld between that date and the 28th February, 1933, amounted to £2,910,000. The approximate total amount collected up to the 28th February in respect of the special duties and the duties under the Import Duties Act, 1932, on goods imported from the Irish Free State, is £2,123,000. As regards the third part of the question, I can assure my right hon. Friend that the matter is receiving my constant personal consideration.

Mr. CHURCHILL: Is the right hon. Gentleman satisfied with these figures?

Mr. THOMAS: I shall certainly not be satisfied until the British taxpayer gets what is due to him.

Mr. LANSBURY: Will the right hon. Gentleman divide the last figure, namely, £2,123,000? I understand that that includes the ordinary Import Duties that are levied on everyone. Would he tell us how much of that represents special duties?

Mr. THOMAS: I could not divide the figure. I would point out to my right hon. Friend that, in consequence of the action of the Irish Free State, they do not participate in the benefits that arise from Ottawa, so that the two must of necessity be kept together.

Mr. LANSBURY: Is it not possible to tell the House what is the actual amount that we have received from the penal duties that are inflicted?

Mr. THOMAS: There are no penal duties, and it would be a profound mistake if there were any such impression. The duties imposed were the only means open to us for obtaining what was due to the British taxpayer. They are not penal.

Mr. MAXTON: Do I understand from the right hon. Gentleman that all the steps he has taken up to now, penal and friendly, leave this country £2,000,000 to the bad?

Mr. THOMAS: No. All the steps that I have taken up to now have obtained £2,000,000 from those people for the people of this country, which they would not have obtained if I had not taken those steps.

Mr. MAXTON: But we are still £2,000,000 short.

Mr. LUNN: Can the right hon. Gentleman say how the trade between the two countries has been affected by this policy within the last few months?

Mr. LANSBURY (*by Private Notice*) asked the Secretary of State for Dominion Affairs if he has received any recent communication from the Irish Free State as to the financial dispute?

Mr. THOMAS: Yes, Sir. I received officially on 3rd March the following letter from the High Commissioner for the Irish Free State:

"3rd March, 1933.

Dear Mr. Thomas,

You will remember that I wrote to you on the 4th of July of last year confirming what I had already told you in conversation, namely, that the sums received from the Land Annuities and other charges were being set aside by the Irish Free State Government in separate Suspense Accounts in anticipation of arbitration.

My Government now consider that no useful purpose can be served by the further retention of these monies in the Suspense Accounts. They have, therefore, decided to use them to finance normal Exchequer requirements and they desire me to inform you accordingly.

Yours sincerely,
(Sgd.) JOHN W. DULANTY."

I have replied to-day as follows:

"7th March, 1933.

Dear Mr. Dulanty,

I have received your letter of the 3rd March in which you intimate that the Irish Free State Government have decided to appropriate for normal Exchequer requirements the sums received from the land annuities and other charges which have hitherto been placed in separate suspense accounts in anticipation of arbitration.

The United Kingdom Government have received this intimation with regret. Their offer of arbitration or negotiation still remains open and they cannot be understood to acquiesce in the action now announced.

Yours sincerely,
(Sgd.) J. H. THOMAS."

Mr. THORNE: Does the right hon. Gentleman not think that both Governments are committing *felo de se*?

Mr. LANSBURY: May I ask whether the right hon. Gentleman will consult the Cabinet as to the advisability of reconsidering the whole question of the terms of arbitration, as the issue now appears to be so narrow to outsiders, being concerned only as to whether both Governments cannot agree on some man in the world to be chairman of the board of arbitration? Neither nation is gaining anything but both are being injured, and in the end someone will have to settle the matter. Why not try again?

Mr. THOMAS: No one would suggest for a moment that any member of the Government or of this House is happy about it or desires this state of affairs to continue, but we think it would be a mistake not to keep the facts clearly in mind. If it were such a narrow issue as my right hon. Friend suggests, there might be possibilities of meeting it, but it is not a narrow issue. Apart entirely from the financial question involved, there is also the political aspect which is involved in the violation of the Treaty. With regard to the suggestion that there is no man in the world who can act as chairman, I do not for one moment say that there is no man in the world who may be chairman of the tribunal, but equally I resent the suggestion that there is not a man within the Empire who is capable of acting as chairman.

Mr. LANSBURY: If there are these other questions, these political questions, is it not a fact that the British Government and the Irish Free State Government have both agreed that the subject matter dealt with in the correspondence should be settled by arbitration? I understand that the only outstanding question is where you shall select the chairman of the arbitration tribunal, and all I am asking the right hon. Gentleman and his colleagues is to consider whether in all the circumstances of the case, and the injury which is being done to both countries, it would not be an act of grace on the part of His Majesty's Government to give way on that one point?

Mr. THOMAS: May I draw the right hon. Gentleman's attention to two things? The first intimation that this Government received was not a communication from the Irish Free State asking for a discussion to consider or review the question, but a bald intimation that they were not going to pay. Notwithstanding that, from the commencement in answering questions and in every public speech I have made, I have never shut the door. The communication I have just read from Mr. Dulanty, as representing Mr. de Valera, is again a bald intimation that they propose to use for another purpose money that by Statute was intended to be earmarked for a specific purpose. Notwithstanding that I have replied, even to-day, that, as far as we are concerned, the offer of arbitration or negotiation still remains open. Surely no greater indication could be given of our desire for a friendly settlement, but there are times and occasions, there are circumstances, when we must not simply humiliate ourselves.

Mr. LANSBURY: I do not propose to pursue the matter further except to say that it is a well-known fact that the right hon. Gentleman in making that offer knows perfectly well that the one obstacle to its acceptance is that he himself lays down a condition for the arbitration tribunal which he knows the Irish Free State cannot accept. I wish to make that quite clear.

Mr. THOMAS: So that it shall be quite clear, let me say that I did not lay down that condition. The condition I laid down is that I am prepared on behalf of the Government to confirm and offer to the Irish Free State the arbitration which was unanimously endorsed by the Imperial Conference, to which the Irish Free State were parties.

Mr. LANSBURY: That is not true.

HON. MEMBERS: Withdraw!

Mr. MAXTON: I want to ask the right hon. Gentleman if he does not consider that the over-riding political consideration in this matter is the establishment of friendship between the two nations, and whether he does not realise that the failure of his policy is embittering feeling and widening the breach?

Mr. THOMAS: I agree with the hon. Member; the over-riding consideration in this, as in most matters, is the friendly relations between the two nations, but I would also remind the hon. Member that there are such things as honour and justice, which must be observed by others.

AGRICULTURE.

MEAT IMPORTS.

25. **Lieut.-Colonel ACLAND-TROYTE** asked the President of the Board of Trade what precautions are taken to prevent any foreign countries evading the restrictions on the import of meat, for instance by sending in best cuts packed in sacks, etc., and labelled offal, or in any other way; and whether he is satisfied that no such evasions are taking place?

Mr. RUNCIMAN: An assurance was obtained from the South American Meat Importers' Freight Committee (representing the great majority of the South American trade) that meat of descriptions not specifically limited by the "agreed programme" in the Ottawa Agreements would be strictly regulated. Imports of foreign frozen beef cuts in January amounted to under 1,000 tons out of a total of some 36,000 tons of foreign chilled and frozen beef imported in that month. I understand that the freight committee have arranged for imports of frozen beef cuts to be substantially reduced after the end of the present month.

Lieut.-Colonel ACLAND-TROYTE: Is there anything to prevent people who are not parties to the agreement from sending this meat here in bags and describing it as offal?

Mr. RUNCIMAN: I do not think that there is any abuse of the regulations which are at present in force. That applies both to those who are in the agreement and to those who are outside.

Lieut.-Colonel ACLAND-TROYTE: Will the right hon. Gentleman take steps to see that there is no breach of the regulations?

Mr. RUNCIMAN: A licence would not be issued in an improper case, and we have control of the licences.

Mr. T. WILLIAMS: Were these agreements entered into between this Government and the importers, or between this Government and the Government of the exporting country?

Mr. RUNCIMAN: If the hon. Member will put that question down, I can give him an answer, but it does not arise out of the Question on the Paper.

Mr. CHARLES WILLIAMS: Is the right hon. Gentleman certain that no evasions at all are taking place?

Mr. RUNCIMAN: No, Sir; I am never certain of that.

42. **Lieut.-Colonel ACLAND-TROYTE** asked the Minister of Agriculture whether he is satisfied that the restrictions which he has imposed on the import of meat and bacon have been successful in raising wholesale prices sufficiently to give the home producer of these articles a reasonable profit?

The MINISTER of AGRICULTURE (Major Elliot): I would refer my hon. and gallant Friend to the answer which I gave to a similar question by my right hon. Friend the Member for South Molton (Mr. Lambert) on 7th February. Since that date all classes of livestock have shown further improvement; and the total rises since the imposition of restrictions have been as follows: First quality fat cattle from 37s. 3d. per cwt. to 42s. 3d. per cwt.; fat sheep from 7¼d. per lb. to 11d. per lb.; and pork and bacon pigs from 10s. 5d. and 9s. per score to 13s. 8d. and 11s. 9d. per score respectively.

Lieut.-Colonel ACLAND-TROYTE: While congratulating my right hon. Friend on the success of his policy, will he answer the last part of the question, whether there has been a sufficient rise to give a reasonable profit?

Mr. T. WILLIAMS: Will the right hon. Gentleman give us his version of what price will give a reasonable profit, and what is a reasonable profit?

Major ELLIOT: I refer both hon. Members to the answer that I gave to the right hon. Gentleman the Member for South Molton, in which I said it is impossible to say whether any given price would afford a profit to home producers generally.

CROWN LANDS (RENTS).

40. **Brigadier - General CLIFTON BROWN** (*for* **Major CARVER**) asked the Minister of Agriculture if he will state the abatement of rent allowed to any tenants of Crown agricultural land in the calendar year 1932?

Major ELLIOT: Abatements of agricultural rents made by the Commissioners of Crown Lands for the period ending at Lady Day in each year amounted in 1931-32 to £9,907, and will amount in 1932-33 to approximately £7,666. The Commissioners do not make abatements at a flat percentage rate, but consider the case of each farm on its merits.

SUTTON BRIDGE FARM SETTLEMENT.

41. **Brigadier-General BROWN** (*for* **Major CARVER**) asked the Minister of Agriculture whether, in view of the loss sustained in 1932 upon the Sutton Bridge smallholdings and allotments, he can state whether this loss is still being incurred; and, if so, what action he proposes to take to effect economies?

Major ELLIOT: Of the items on the debit side of the Estate Profit and Loss Account of the Sutton Bridge Farm Settlement for 1931, amounting in all to £32,659, only £4,400 (which includes £2,813 for repairs) represents items over which the Department has any control, and I can assure my hon. and gallant Friend that the most rigid economy will continue to be exercised in regard to such items. The remaining sum of £28,259 includes the permanent annuity of £18,500 in consideration of which the property was purchased, £5,087 interest on Exchequer advances, £2,876 for depreciation of buildings, and £1,407 for tithes, rates, etc. These charges are for the most part in respect of obligations entered into in connection with the post-War scheme of land settlement, and reflect the general high level of prices and rates of interest which obtained at the time. On the other side of the account, the receipts consist almost entirely of the rents of the small holdings and allotments which are full fair rents and cannot be increased.

Brigadier-General BROWN: Does not the very heavy loss suffered by the Government in farm management show the plight of agriculture, and will the right hon. Gentleman do what he can to start proposals for altering it?

POLICE (CASTS AND MOULDS).

37. **Captain CUNNINGHAM - REID** asked the Secretary of State for the Home Department if it is the intention of the police authorities to adopt the Poller process for use in cases where casts or moulds are required by them; whether British police officials have yet attended demonstrations of this process by the Austrian police; and what was the nature of their report?

The SECRETARY of STATE for the HOME DEPARTMENT (Sir J. Gilmour): It is not at present the intention of the Metropolitan Police to adopt this process as it is not regarded as suitable in most of the cases in which casts or moulds are required. Demonstrations of Dr. Poller's process were attended by a representative of the Commissioner in 1928 and the conclusion reached was that whilst it might be useful for very delicate work, cases in which it could be usefully employed would be extremely rare. In fact none has occurred in recent years.

TRANSPORT.

MOTOR CAR HEAD LIGHTS.

36. **Captain CUNNINGHAM - REID** asked the Minister of Transport if he has reached any decision on the problem of overcoming dazzle in motor car head lights; and if, in framing regulations, he will insist that anti-dazzle devices should be automatic and not driver-operated?

The MINISTER of TRANSPORT (Mr. Oliver Stanley): The Ministry of Transport recently circulated a revised draft of regulations on this subject, and certain representations which have been received are now under consideration. I am not prepared at the moment to say precisely what form my decision will take.

TAXIMETER CAB FARES.

38. **Mr. ANSTRUTHER-GRAY** asked the Home Secretary if he can make a statement regarding the proposed increase in taximeter cab fares?

Sir J. GILMOUR: Representations were made to me by the taxicab proprietors urging an increase in taxicab fares and, after the views and specific proposals of the various sections of the trade, which were submitted to me at my request, had been considered, I decided to convene a conference of all the parties concerned. That conference has recently been held and the whole question is now under my consideration in the light of the various representations which have been made.

SUNDAY CINEMAS, SIDCUP.

39. **Mr. BATEY** asked the Home Secretary what communications have passed between his Department and the Sidcup District Council regarding the Sunday opening of cinemas since the rejection by this House of the Draft Order; and if he is aware that the proposed amalgamation of Chislehurst with Sidcup has been rejected by the Chislehurst Council, thus removing the chief objection to the Order?

Sir J. GILMOUR: On 17th February I informed the Sidcup Urban District Council of the rejection by this House of the Draft Order, and on the same day I received a copy of a resolution passed by the council on 15th February. As regards the proposed amalgamation of Chislehurst with Sidcup, I understand that this proposal forms part of the review of districts by the Kent County Council under Section 46 of the Local Government Act, 1929, that a local inquiry has been held and that the whole question, including a recent resolution of the Chislehurst Council against the proposed amalgamation, is now before the Minister of Health, with whom the decision rests.

Mr. THORNE: Was any reason given in the House for vetoing the vote of the people of Sidcup?

Sir J. GILMOUR: I understand that there was a Debate and a vote on the subject.

Mr. BATEY: Are we to understand that, as the decision rests with the Minister, it is possible for him to renew the Order?

Sir J. GILMOUR: The decision does not rest with the Minister. My duty is to receive the record of any poll that is taken. As long as I am satisfied that the poll is correct, it is a matter for this House, and there, as far as I am concerned, my duty is at an end. It is open to the House to reject it or accept it.

Mr. BATEY: Can the Order that was rejected be submitted again to the House?

Sir J. GILMOUR: As far as I understand it, if they desire to raise the matter again they can do so, but it would rest, I understand, not with me but with Mr. Speaker as to whether he would accept another question within the present Session.

Mr. THORNE: Is the House entitled to rescind the decision given the other day?

Sir J. GILMOUR: If the matter comes before the House again, of course it will be competent for the House to rescind its former decision.

POST OFFICE (TELEPHONE TRUNK LINES).

43. **Mr. DORAN** asked the Postmaster-General if, in order to provide work for many thousands and minimise the risk of interrupted telephone service due to gales, he will consider the advisability of arranging that part of the Post Office profits should be devoted to laying the main telephone lines underground instead of replacing or extending the present overhead system which disfigures the countryside?

The ASSISTANT POSTMASTER-GENERAL (Sir Ernest Bennett): The main system of telephone trunk lines in this country is already in underground cable to the extent of over 90 per cent.—a higher proportion than in any other country in the world. The telephone service has to be self-supporting, and the rate of substitution of underground for overhead lines must be governed by economic considerations. Substantial progress is being made within the limits so imposed.

Mr. DORAN: In view of the enormous profits made by the Post Office, is it not possible to devote a certain amount of this money to putting the cables underneath the ground?

Sir E. BENNETT: The hon. Member did not listen to my answer. I said 90 per cent. are already underground.

Mr. McGOVERN: Will the hon. Gentleman ask the Postmaster-General to see that there is no monkeying about with these poles?

EMPIRE BROADCAST STATION.

44. **Mr. DORAN** asked the Postmaster-General if he is in a position to state the cost to date of the Empire radio station at Daventry; the estimated annual upkeep; and whether any of the Dominions have yet undertaken to contribute towards the cost?

Sir E. BENNETT: The decision to establish an Empire radio station was taken by the British Broadcasting Corporation and announced by them in November, 1931. As my right hon. Friend has already stated, the corporation is for the present bearing the full cost. The responsibility for expenditure on individual broadcasting stations rests entirely with the corporation, and my right hon. Friend is not aware of the cost of the Empire station.

Mr. PIKE: Is there any intention to ask the Colonies to bear part of the cost?

Sir E. BENNETT: When the Colonies realise the benefits that will come to them from this system, one naturally hopes that arrangements will be made.

Mr. MAXTON: Does the Assistant Postmaster-General mean that the Postmaster-General does not know the cost of the new station at Daventry or is he saying that he knows but will not tell us?

Sir E. BENNETT: I must ask the hon. Member to accept what I said on the subject. The corporation is for the present bearing the full cost, and my right hon. Friend is not aware of that cost.

ENTERTAINMENTS DUTY.

46. **Mr. KIMBALL** asked the Chancellor of the Exchequer whether he is aware that the Derby Customs and Excise Office have refused to exempt from Entertainments Duty the proceeds of a concert given in aid of the Loughborough centre for the unemployed; and whether he will take steps to extend the existing exemption in favour of charitable and philanthropic purposes to entertainments in aid of recognised centres for the unemployed?

Mr. HORE-BELISHA: I am informed that a certificate of exemption from Entertainments Duty was at first withheld by the local officers pending a decision by the Commissioners of Customs and Excise as to whether the statutory condition that the whole of the takings of the concert must be devoted to philanthropic or charitable purposes could be regarded as fulfilled. The Commissioners are satisfied that this concert is entitled to exemption from duty, and a certificate of exemption was issued on the 3rd March.

GOVERNMENT DEPARTMENTS.

Clerical Classes.

48. **Lieut.-Colonel ACLAND-TROYTE** asked the Financial Secretary to the Treasury whether he will suspend any further recruitment to the established general and departmental clerical classes from open competition until the whole question of the future pay and status of the new special class has been settled; and whether, in the meantime, steps will be taken to review the necessary clerical class complements in the various departments so as to afford promotion for the existing members of the new special class?

Mr. HORE-BELISHA: Clerical class complements are fixed in accordance with the requirements of the work and cannot be specially increased for the purpose of providing additional promotions. It would not be in the public interest to suspend open competition for these classes but a large proportion of vacancies are filled by the promotion of suitable officers already serving. A substantial number of such promotions have been made from the P class and it has been agreed that members of the special class, which was set up as a result of the discussions with the recognised staff representatives on the Temporary Staffs Committee, should also be eligible for such promotion.

"P" CLASS (PROMOTIONS).

50. **Rear-Admiral SUETER** (*for* **Lieut.-Commander BOWER**) asked the Financial Secretary to the Treasury what is the reason for withholding a list of ex-service P class clerks in the tax inspectorate for promotion to the established class, as contemplated under Clause V of the Government Memorandum of 12th January, 1925, and in accordance with the practice of the board, to authorise such promotions each year?

Mr. HORE-BELISHA: Between 1928 and 1931 386 P class men were promoted to be tax clerks. The question whether further promotions can be made from the ex-service class is being considered in the light of all the relevant circumstances including the availability of vacancies.

ECCLESIASTICAL ESTATES (BUILDING LEASES, SOUTH SHIELDS).

51. **Mr. HARCOURT JOHNSTONE** asked the hon. Member for Central Leeds, as representing the Ecclesiastical Commissioners, whether he can now make any statement as to the policy of the Ecclesiastical Commissioners in granting or renewing mineral leases in the South Shields area?

Mr. DENMAN (Second Church Estates Commissioner): Parties interested in the question of the terms of building leases in the mining area to which the hon. Member refers have been invited to a conference which I hope will shortly take place.

Mr. BUCHANAN: Has not the time arrived when, in the interests of economy, this body should be entirely abolished?

Mr. DENMAN: It is one of those bodies which involves no expenditure on the State whatever.

INDIA (JOINT SELECT COMMITTEE).

52. **Mr. CHURCHILL** asked the Secretary of State for India whether a committee of Indians is being invited by the Government to participate, in a consultative capacity or otherwise, in the work of the Joint Committee of both Houses shortly to be set up; and whether he can assure the House that he will in no way prejudice, by the form of his invitations, the decision of either House of Parliament upon the method of consultation or the status of such Indian nominees in relation to the Joint Committee?

The SECRETARY of STATE for INDIA (Sir Samuel Hoare): Ever since the Simon Commission was first appointed successive Governments have, as has been constantly stated, had the intention of proposing that the Joint Select Committee set up to consider the proposals for the revision of the Indian Constitution should be given power to confer with Indian representatives. The Government therefore propose to ask Parliament to give the Committee this power. It will however be for the Committee alone to decide upon the manner in which effect is given to this arrangement. The second part of the question therefore does not arise.

Mr. CHURCHILL: Can my right hon. Friend say whether any invitations have yet been sent out?

Sir S. HOARE: No, Sir, no invitations in the sense of my right hon. Friend's question, but the Viceroy and I have had some informal correspondence as to the Indians whom we might think would be useful to the Committee, but no commitments of any kind have been entered into which will embarrass the liberty of action of the Committee.

Sir W. DAVISON: Have the Government envisaged the exact nature of the consultation the Government have in mind in this matter?

Sir S. HOARE: I have just said that the Committee themselves will be the judge of the way in which the deliberations will be carried out.

Sir A. KNOX: Would it not be much better to lay down the procedure first, and not put the onus upon the Committee to say what the procedure shall be and perhaps set them at variance with the Indians?

Sir S. HOARE: I should think that the House, in appointing a committee of this kind, would desire to leave liberty of action to its own representatives.

Lieut.-Commander AGNEW: Can my right hon. Friend say whether His Majesty's Government will have a majority of the representation on the Committee?

Sir S. HOARE: The hon. and gallant Member had better wait and see the Resolution under which the Committee will be selected by this House.

Mr. CHURCHILL: Are we to understand that the Joint Committee will be the judge of the method of conferring with the Indian representatives?

Sir S. HOARE: If my right hon. Friend will look at the answer I have just given, he will see that that is exactly what I have said they will do.

Mr. CHURCHILL: I am very glad indeed to hear that, but I do not think that it was clear.

UNEMPLOYMENT.

LOCAL GOVERNMENT OFFICERS (INSURANCE WORK).

53. **Mr. SMEDLEY CROOKE** asked the Minister of Labour whether he is aware that some county and county borough councils have not increased the pay of their relief staffs for the extra work and responsibility in connection with duties consequent upon the operation of the Unemployment Insurance (National Economy) (No. 2) Order, 1931, in connection with transitional payment cases; and whether he will take steps, under the provisions of paragraph 6 of the Order, to ensure that the local authorities concerned award the officers affected reasonable remuneration for this work?

Captain AUSTIN HUDSON (Lord of the Treasury): I have been asked to reply. This is a matter within the discretion of local authorities in whose service these officers are. My right hon. Friend has no reason to believe that authorities generally are not fully aware of his powers under the Order in Council to approve for reimbursement additional expenditure incurred by them in the administration of the Order.

WORK SCHEMES.

56. **Mr. MACLAY** asked the Minister of Health whether, in view of the undesirability of paying out transitional benefit for no work and also in view of the present low rate of interest and general costs, he will take several concrete examples of useful schemes submitted by local authorities of distressed areas or Members of Parliament, and have them analysed in order that the House of Commons may be advised on up-to-date figures as to the numbers likely to be given employment, the amount of unemployment benefit to be saved, and the extent of the Government loan which would be required to put such schemes into operation?

The PARLIAMENTARY SECRETARY to the MINISTRY of HEALTH (Mr. Shakespeare): My right hon. Friend doubts whether a useful purpose would be served by adopting the hon. Member's suggestion. In so far as it is possible to estimate the situation arithmetically, it is already known that £1,000,000 spent on capital works in a year may be expected to give employment, directly and indirectly, to about 4,000 men. If all these men or an equivalent number would otherwise have received unemployment benefit or transitional payments for the whole year, which is unlikely, they would be paid about £200,000. There are no doubt other considerations involved that cannot be estimated arithmetically. Local authorities, with whom my right hon. Friend is concerned, raise their own loans for capital works. My right hon. Friend is always prepared to sanction loans for works which are remunerative or really necessary.

Mr. MACLAY: Can the hon. Gentleman say whether the figures which he has just given are based upon the expenses of the Department during the last six months or so?

Mr. SHAKESPEARE: They are the nearest estimates used by ourselves based on the latest figures available.

Mr. DAVID GRENFELL: Will the Minister inform the House if there is any arithmetical difference between the £200,000 and the £1,000,000 and can he give an explanation of the £800,000?

HOUSING.

HUT DWELLINGS, HORDEN, DURHAM.

55. **Mr. BATEY** asked the Minister of Health if his attention has been drawn to the case of disabled ex-service men living in huts at Horden, Durham; and if he will sanction a scheme or schemes for the erection of houses to meet such cases?

Mr. SHAKESPEARE: My right hon. Friend's attention has not been called to this matter, but he will be glad to consider any information which the hon. Member may be in a position to submit to him.

Small Dwellings Acquisition Acts.

57. **Mr. McENTEE** asked the Minister of Health the total amount of advances made by local authorities under the Small Dwellings Acquisition Acts in 1932 and the number of houses purchased?

Mr. SHAKESPEARE: During the 12 months ended 30th September, 1932, the latest date to which figures are at present available, local authorities in England and Wales advanced £2,670,415 under the Acts in question, in respect of 5,032 houses.

Mr. McENTEE: Can the hon. Member say whether in recent months the Ministry has refused several applications from local authorities to loan money under the Act, and whether it is the policy of the Government in future to refuse to administer the Act in the way in which it has previously been administered?

Mr. SHAKESPEARE: It is not within my knowledge that that is so, but if the hon. Member will bring the matter to my notice, I will have inquiries made into it.

MUNICIPAL CORPORATION AUDIT BILL.

58. **Mr. T. WILLIAMS** asked the Minister of Health how many borough and county borough councils have made representations to him in favour of the Municipal Corporation Audit Bill?

Mr. SHAKESPEARE: No representations have been made to my right hon. Friend for or against the Bill itself, but from time to time inquiries have been received from borough councils asking whether district audit could be applied to their accounts without the expense of promoting a private Bill.

Mr. O'CONNOR: Is my hon. Friend aware that the Association of Municipal Corporations is opposed to this Measure as being an unnecessary extravagance?

Mr. SHAKESPEARE: No, I am not aware of that fact.

KENYA GOLDFIELD.

59. **Mr. PARKINSON** asked the Secretary of State for the Colonies the amount of compensation paid to natives in Kakamega for disturbances or destruction; and whether precise records have been kept of the amount of such compensation in individual cases?

The SECRETARY of STATE for the COLONIES (Sir Philip Cunliffe-Lister): Under Section 26 of the Kenya Mining Ordinance the owner or occupier of land is entitled to fair and reasonable compensation for disturbance, and in the case of native owners or occupiers the administrative officer in charge of the district is empowered, if the native so wishes, to assess the amount of compensation. It would not, however, be possible to keep full records since the administrative officer could not have any knowledge of cases not brought to his notice, which would naturally be the subject of amicable arrangement between the prospector and the native owner or occupier. I learn from a despatch which I have received that the rate of compensation generally in force is one cent per square yard per quarter for damage done to the surface in cutting trenches or digging pits. This is equivalent to about £9 13s. 6d. per acre per annum.

FOREIGN LOANS (EMBARGO).

45. **Mr. WHITE** (*for* **Mr. MANDER**) asked the Chancellor of the Exchequer whether it is proposed to maintain the present embargo on loans for foreign states, in particular for those unanimously found guilty of breach of treaty obligations by the Assembly of the League of Nations?

Mr. HORE-BELISHA: The existing embargo on foreign loans is of general application and is due to financial and not to political motives, as suggested in the question. As regards the period during which it will be necessary to maintain the existing restrictions on issues of capital in this and certain other cases, I would refer to the reply given by my right hon. Friend to the hon. and gallant Member for South Leicester (Captain Waterhouse) on the 16th February.

Mr. MACMILLAN: Will the hon. Member draw a distinction between loans which are made solely in the form of money and loans which are for the purpose of financing work in this country?

Mr. HORE-BELISHA: The question endeavours to draw a distinction between loans made for a political purpose and loans made for a financial purpose. My hon. Friend's supplementry question is not quite related to that.

VISA FEES.

54. **Mr. WHITE** (*for* **Mr. MANDER**) asked the Secretary of State for Foreign Affairs if he will consider the advisability of remitting the fee at present charged for visas with a view to encouraging foreigners to visit this country?

The SECRETARY of STATE for FOREIGN AFFAIRS (Sir John Simon): No, Sir. I regret that His Majesty's Government still feel obliged to adhere to their decision that it is not possible, at present, for financial reasons, to enter into any further agreements for the reduction or abolition of visa fees.

SELECTION (PRIVATE LEGISLATION PROCEDURE (SCOTLAND) ACT, 1899) (PANEL).

Mr. William Nicholson reported from the Committee of Selection; That, in pursuance of the provisions of the Private Legislation Procedure (Scotland) Act, 1899, they had added the following Five Members to the Parliamentary Panel of Members of this House to act as Commissioners: Mr. Jamieson, Mr. James Johnston, Mr. McKie, Mr. Milne, and Mr. James Reid.

Report to lie upon the Table.

MESSAGE FROM THE LORDS.

That they have passed a Bill, intituled, "An Act to make provision for the enforcement in the United Kingdom of judgments given in foreign countries which accord reciprocal treatment to judgments given in the United Kingdom; for facilitating the enforcement in foreign countries of judgments given in the United Kingdom; and for other purposes in connection with the matters aforesaid." [Foreign Judgments (Reciprocal Enforcement) Bill [*Lords.*]]

CONSOLIDATION BILLS.

That they have appointed a Committee consisting of Six Lords to join with a Committee of the Commons as a Joint Committee on Consolidation Bills in the present Session, and request the Commons to appoint an equal number of their Members to be joined with the said Lords.

WRITTEN ANSWERS.

UNEMPLOYMENT.

Mr. COCKS asked the President of the Board of Trade whether he can give an estimate of the loss in national income and national wealth in 1932 due to the number of people who were unable in that year to find employment in productive industry?

Mr. RUNCIMAN: I am afraid that it is quite impossible with the material available to furnish any such estimates.

DOMINIONS (BRITISH DEPORTEES).

Mr. WHITE asked the Secretary of State for Dominion Affairs the number of British citizens deported from the Dominions for the years ended March, 1931, and March, 1932, respectively?

Mr. THOMAS: Except in the case of Canada, official figures are not available as to the number of British citizens deported from the Dominions in the years ended March, 1931, and March, 1932. The following information as to the numbers of British deportees in the years ended December, 1931, and December, 1932, is supplied voluntarily by the shipping companies.

	1931.	1932.
British North America (i.e. Canada and Newfoundland)	4,402	4,530
Australia	158	117
New Zealand	—	—
British South Africa ...	24	10
Other British Countries ...	50	1

JUSTICES, CREWE.

Mr. RHYS DAVIES asked the Attorney-General the date of the last meeting of the magisterial advisory committee for the borough of Crewe; when it is intended to fill vacancies now existing on the commission of the peace for the said borough; whether his attention has been drawn to the fact that at no time have any women magistrates been appointed; and whether, in view of recent representations in this connection by working-class women's organisations at Crewe, the matter is likely to receive the attention of the Crewe Borough Magisterial Advisory Committee at an early date?

The ATTORNEY-GENERAL: My Noble Friend the Lord Chancellor informs me that he is unable to state the exact date of the last meeting of this advisory committee. The meetings of these committees are held when further appointments to the local bench are considered necessary, without previous consultation with him. It is understood that a meeting will shortly be held to consider whether any additional appointments should be made to the Commission of the Peace. The Lord Chancellor is aware that there are no women justices in the borough, and the attention of the advisory committee has been drawn to the matter.

NAVAL AND MILITARY PENSIONS AND GRANTS.

Mr. HUTCHISON asked the Minister of Pensions whether his Department will adopt the principle, in cases of difference of medical opinion over attributability of a disease to the Great War, of appointing an independent medical arbitrator to be agreed on by both sides in order to allay much existing bitterness?

Major TRYON: I could not, I fear, adopt my hon. Friend's suggestion with due regard to my responsibility to Parliament. I would, however, remind my hon. Friend of the present arrangements under which medical specialists of eminence, nominated by the presidents of the Royal Colleges of Physicians and Surgeons, are invited by me to give their independent advice upon the merits of cases of late claim for disablement which present serious doubt or difficulty on the evidence.

Mr. L. SMITH asked the Minister of Pensions what is the present total annual expenditure on assistance to those who served in the late War and to their dependants; what amount this represents per head of those who were killed and wounded; and how such amounts compare with similar expenditure in the United States of America?

Major TRYON: It is not possible to obtain comparable figures for the United Kingdom and the United States of America as to the expenditure on ex-service men of the late War. In the United States of America all public expenditure on monetary benefits and on medical and other services for all classes of ex-service men and their dependants, whether disabled by War service or otherwise, is administered through a single Department of State—the War Veterans' Bureau. In this country, on the other hand, in addition to the benefits administered by the Ministry of Pensions and the Service Departments, ex-service men draw benefit, frequently on specially favourable terms, under the Health and Unemployment Insurance schemes, the Contributory and other Old Age Pensions Acts, and through other agencies, but the portion of the expenditure under these heads which is attributable to ex-service men and their dependants cannot be distinguished.

Mr. SPENCER asked the Minister of Pensions if he will take steps to ensure that where it can be shown that War service has been a contributory factor in causing a man's death, his dependants shall not be refused an appropriate pension?

Major TRYON: All cases in which a causal connection can be established between a pensioner's death and his condition so far as caused by War service are already provided for in Articles 17A and B of the Royal Warrant.

COLLIERY REGULATIONS, DURHAM.

Mr. BATEY asked the Secretary for Mines if he will issue a statement showing the number and names of collieries in Durham carrying out Section 76 of the Coal Mines Act, 1911, and regulations Nos. 106, 107, 108, 109, 110, 111, and 112 issued by the Secretary of State for the Home Department, dated 10th July, 1913, and published 15th July, 1913; and if he will instruct inspectors of mines to ascertain why Section 76 of the Coal Mines Act, 1911, and regulations thereunder have not been adopted at all mines?

Mr. E. BROWN: So far as I am aware, adequate sanitary conveniences are provided at collieries in Durham and no complaints of any lack of facilities have been received. If the hon. Member has in mind any colliery at which the arrangements are alleged to be unsatisfactory and will let me have particulars, I will have inquiries made.

POOR LAW RELIEF (SCOTLAND).

Mr. D. GRAHAM asked the Secretary of State for Scotland the amount of money expended by the public assistance committees in able-bodied relief in the counties of Midlothian, including the city of Edinburgh, West Lothian, and Fife, for each year since 1929-30, giving the amount spent in each county separately?

Sir G. COLLINS: The following statement shows the amount expended on able-bodied relief by public assistance committees in the counties of Midlothian, Fife and West Lothian during each of the years ended 15th May, 1930, 1931 and 1932.

Public Assistance Authority.	1930.	1931.	1932.
Midlothian County:	£	£	£
County, excluding Edinburgh City ...	3,030	2,641	3,644
Edinburgh City	151,210	90,387	124,114
Fife County (including Dunfermline and Kirkcaldy Burghs).	23,321	11,424	20,133
West Lothian County	6,269	3,855	7,403

ROAD SERVICE LICENCES (INQUIRY, STOKE-ON-TRENT).

Mr. ALLEN asked the Minister of Transport whether his attention has been called to an application by the corporation of the city of Stoke-on-Trent to be allowed to inspect the books of certain omnibus companies before the hearing of an appeal to him against an order of the Traffic Commissioners; and whether he will order such inspection prior to the hearing of the appeal?

Mr. STANLEY: Yes, Sir. I have informed the corporation that I have no power to order the production of documents except at the inquiry; but I have decided to authorise the person holding the inquiry on my behalf to order the production of such documents as he may require, subject to the provisions of the Section under which the inquiry will be held.

SUBSIDIES (DOMINIONS AND FOREIGN COUNTRIES).

Sir J. LAMB asked the Secretary to the Overseas Trade Department what rates of bounty, subsidy, or subvention of any description, direct or indirect, are now in force in foreign countries and British Dominions in respect to exports of agricultural produce and manufactured articles, including food products?

Lieut.-Colonel COLVILLE: The work that would be entailed by an inquiry of this magnitude and the detailed character of the information sought, make it impossible for me to furnish a reply to the question asked. If my hon. Friend could indicate particular commodities and countries in which he is interested, I would gladly consider the matter.

ORDERS OF THE DAY.

LOCAL GOVERNMENT (GENERAL EXCHEQUER CONTRIBUTIONS) BILL.

Order for Second Reading read.

3.48 p.m.

The PARLIAMENTARY SECRETARY to the MINISTRY of HEALTH (Mr. Shakespeare): I beg to move, "That the Bill be now read a Second time."

I do not think it will be necessary for me to go into great detail as I did when the Financial Resolution was before the House. Under this Bill we are asking for an amount of new money of £5,350,000 in respect of England and Wales, which is the amount of new money for the second grant period. That figure shows an increase of £350,000 over and above the amount of £5,000,000 which was fixed for the first grant period. As regards Scotland, the amount of new money for which we ask is £850,000, which is an increase of £100,000 over the amount of new money in the first grant period. This is really a routine machinery Bill to give effect to the provisions of the Local Government Act, 1929. I need not go into any elaborate explanation but for the benefit of hon. Members who were not present on the last occasion or who have forgotten perhaps I may be allowed in a few sentences to say why the Bill is necessary.

Under the 1929 Act a system of consolidated block grants for the general Exchequer Contribution was made payable each year in respect of a grant period lasting in the first instance for three years. That general Exchequer Contribution was made up of three items: first, the amount of loss under the derating provisions of the Act; secondly, the loss of grants, and, thirdly, an amount of new money then fixed at £5,000,000 which would allow for the normal expansion of local government services during the first fixed grant period. The equivalent amount of the losses of rates and of grants was £38,580,000 and that as I have explained before was fixed for all time according to the facts ascertained in the year 1928-29. The amount of new money falls to be determined at the start of each grant period. On 1st April as regards England and Wales, and on 16th May as regards Scotland, we shall be entering the second fixed grant period, one of four years. Therefore, according to the 1929 Act, we have to fix the amount of new money which shall be part of the general Exchequer Contribution to be paid annually as a block grant for the next four years.

I need not go into the elaborate method of calculating what is to be the general Exchequer contribution at the start of a grant period. The House will remember that in the 1929 Act there is a minimum proportion, and, in asking the House to fix the amount of the new money for England and Wales at £5,350,000, we are asking the House to accept the machinery of the 1929 Act and to fix the amount of new money approximately in accordance with the minimum proportion. Three courses were open to us: We might have increased it or decreased it, or we might have kept it on the minimum proportion basis. As regards an increase, I should find it very difficult to stand here in these times of generally straitened financial circumstances and ask the House for any further increase in a grant which is already £350,000 over and above the £5,000,000. As regards a decrease, that would be breaking faith with the local authorities, breaking a bargain made with them three years ago, and would put a strain on their financial resources. Therefore, we have adopted what we think to be the wise and middle course, and therefore we submit that the £5,350,000 is about the right figure for England and Wales and £850,000 for Scotland. With that short explanation perhaps the House will understand what this Bill is about. Under paragraph (*b*) of Clause 1 we ask for a contribution of £3,000,000 from the Road Fund in respect of the second grant period. On the Order Paper there is an Amendment for the rejection of the Bill, in the name of the right hon. Member for Wakefield (Mr. Greenwood), with which I need not deal at length. The right hon. Gentleman had better develop his own case, but I think I can say briefly that that Amendment takes no account of three considerations. It takes no account of the fact that in 1929, when £5,000,000 of new money was granted to local authorities as part of the general

Exchequer contribution, that was considered a very generous concession by the then Chancellor of the Exchequer. If it was generous in 1929 to provide a new sum of £5,000,000 for the expansion of local services, it cannot be less generous now in these hard times to increase the £5,000,000 by £350,000.

The second consideration is this: The Amendment for the rejection of the Bill calls particular attention to the condition of distressed areas, but I do not think it takes account of the way in which the general Exchequer contribution will normally be distributed under the operation of the famous formula. The House will remember that of the £43,000,000 of general Exchequer contributions paid annually, roughly one-third, or nearly £15,000,000, is distributed according to need, and the need is determined by taking the population of a given area and weighting that population to allow for certain factors. Weighting really means increasing the actual population by a percentage in respect of rateable value, unemployment and other factors.

I pointed out on the Financial Resolution that if any one factor was accentuated under the normal operation of the formula more money would be attracted by it. That has in fact happened. During the first grant period only 8 per cent. of that £15,000,000 was attracted by the unemployment factor. During the second grant period, which we shall enter on 1st April, 20 per cent. of the £15,000,000 will be attracted by the unemployment factor. As regards the increase in the amount of new money, that is the £350,000 additional to the £5,000,000, the House might be interested to know how that goes. No less than £145,000 of it goes to 20 county boroughs and three counties in which unemployment is the severest. In other words three-sevenths of the increase goes to those counties and county boroughs which are what we call necessitous areas. Therefore it is idle to pretend that even under the operation of this formula the increase of £350,000, plus the normal operation of the formula, will not substantially help many areas where unemployment is high. That is the second consideration.

The third consideration is this: It would be inappropriate to ask the House to increase the pool to help those who are saddled with a heavy expenditure on outdoor relief when, as everyone knows, the Government are still considering the report of the Royal Commission on Unemployment Insurance. I notice that in the last part of the Amendment of the right hon. Member for Wakefield he seeks to arraign the whole principle of the Local Government Act, the whole principle of de-rating. I am not going to enter into that controversy and I very much doubt whether I should be in order in doing so. But I want to say that if he now feels about it as strongly as he appears to do he had ample opportunity, when a Member of the Government in 1929 and when indeed he was Minister of Health, to change the principle on which de-rating was granted by giving effect to what was called differentiation between industries. The right hon. Gentleman had two years of tranquillity and prosperity compared with the hard times in which we now live.

Mr. GREENWOOD: Not with the same majority.

Mr. SHAKESPEARE: Truth remains the truth whatever the majority, and if de-rating was so iniquitous then it is amazing to find that the right hon. Gentleman did not alter it. I will give an even stronger reason. When the financial crisis fell upon this country towards the end of 1931 and we were confronted with the need for bringing in a second Budget, when we were faced with a deficit of £70,000,000 in the current year and £170,000,000 in the subsequent year, it was never even then suggested.

Mr. GREENWOOD: That is not so; it was considered.

Mr. SHAKESPEARE: It might have been considered, but it was never accepted by the right hon. Gentleman as part of those economies that he did, in fact, accept before he quitted his post, that there should be any change in the de-rating part of the Local Government Act. If in times of acute financial stringency, with a deficit of nearly £70,000,000 in sight, no change was suggested, I think that we are on strong ground in asking the House in these times that we should still keep faith with local authorities, stick to our bargain and grant them this amount of new money which will allow them to go on and make up their budgets year by year.

[Mr. Shakespeare.]

Having said that, one thing only remains for me to say. The Local Government Act has worked smoothly, and without friction. I think we can say for it that it has achieved the hopes of its architects. I very much doubt whether there is any desire anywhere in the country as far as the local authorities are concerned to go back to the old system that obtained before the Local Government Act, 1929. Therefore, I hope that the House will give a Second Reading to this Bill, which is simply a matter of routine and machinery for which some Parliamentary Secretary or Minister of Health may ask sanction at the start of every grant period, and I ask the House to give us permission to determine this amount of new money without raising any fresh controversy, without stirring up the embers of past controversies, and without prejudice to any future help that the Government in their wisdom may determine is necessary for the distressed areas.

4.3 p.m.

Mr. CHARLES BROWN: I beg to move, to leave out from the word "That" to the end of the Question, and to add instead thereof the words:

> "this House cannot assent to the Second Reading of a Bill which merely provides the statutory minimum amount of financial aid to local authorities at a time when additional assistance from the national Exchequer is urgently needed by many of them who are suffering excessively from the present economic conditions whilst those in necessitous areas are practically bankrupt, takes no account of the largely increased expenditure on poor relief thrust upon the local authorities by the National Economy Act, 1931, and fails to amend the law under which industrial and freight transport undertakings and land are largely or entirely relieved from the payment of rates."

We have listened to the explanation of the Parliamentary Secretary to the Ministry of Health as to the reasons why the House is asked to give a Second Reading to this Bill to-day. He has characterised the Bill as a routine machinery Bill. I should like to say that it is too much of a routine machinery Bill in the sense that His Majesty's Government, apparently, have not looked out on the wider problem that needs to be faced in connection with the issues raised by this Bill, and have merely confined themselves to introducing what the Parliamentary Secretary has called a routine machinery Bill. He has asked us, incidentally, to admire the generosity of the Government. He has told us that several alternatives were open to them. They could either increase the amount of this new money, or, alternatively, they could decrease the amount; but, instead of doing either of those two things, they have strictly carried out the letter of the law, and they have merely given, so far as new money is concerned, what the law requires, and the sum of £350,000 to which he referred is, indeed, a negligible sum.

I do not think that anyone in the House will gainsay the fact that to-day the local authorities in many parts of the country are in a very difficult position indeed. When I say so, probably I shall be told that the country as a whole is in a very difficult position. I refrain at this stage from making any comment upon that, because I want, first of all, to say a few things about the difficult position in which the local authorities find themselves, and to do that I would like to call the attention of the House to a few figures, because this Bill is a Bill directly arising out of the Local Government Act, 1929. That Act, as we all know, and as the Parliamentary Secretary has reminded us, has brought quite a considerable number of changes in the country in regard to local government, and, incidentally, the subsequent policies of the Government have thrown new burdens on local authorities, as I will try to show in a little while. But first of all, I want to quote some figures to the House to show in what circumstances some local authorities find themselves at this moment. I will give only one or two illustrations.

Take, for instance, the case of the county borough of Bootle, where the public assistance and assessment committees' rate in 1931-32 was 4s. 2½d., whereas the rate for 1932-33 is 5s. 3½d. In the case of Lincoln, the rate was 5s. 6d. in 1931-32, and it is 5s. 8d. in 1932-33. If we take the case of Manchester, the rate in 1931-32 was 2s. 4¾d., and in 1932-33 it is 3s. 9¼d. I could quote a number of other cases, but I will refer only to one, Merthyr Tydvil, where the public assistance rate in 1931-32 was 12s. 7⅝d., and in 1932-33, 13s. 10⅞d. Taking the larger areas I will quote the cases of Durham County and Glamorgan County. In the county of Durham the charge on the rates for public assistance will be £1,312,815, an increase of £100,000 in the last 12 months, and of £400,000 for the last three years. I am merely giving these figures to show the extraordinarily difficult position in which many local authorities are finding themselves. In the county of Glamorgan, £1,038,000 has to be found for public assistance, equal to a rate of 8s. 1d. in the pound. I could give other illustrations, but I do not want to weary the House with too many figures. I am only quoting figures to show how difficult the position is for many local authorities in various parts of the country.

May I now make a reference to Manchester? During 1932-33 the over-spending of the public assistance committee which had to be financed out of the 1933-34 rate amounted to £100,369, and the additional requirements for 1933-34 were estimated at £106,816, making altogether a total of £207,185. Since the Manchester Corporation assumed responsibility for public assistance the annual rate charge has increased by no less than £275,000—from £365,000 for 1929-30 to £639,000 provided for in the present estimates. I notice that at a meeting of the Manchester City Council on 15th February, Alderman J. H. Birley, deputy-chairman of the finance committee, said:

> "While this charge continued to grow he saw little prospect that they would be able to reduce the rate unless they received additional assistance from the National Exchequer."

He went on to talk about the report of the Royal Commission on Unemployment, which the Parliamentary Secretary has used to-day as one of the reasons why at this stage His Majesty's Government should not do anything particular in regard to those areas to which I have called attention. Mr. Birley said:

> "The report of the Royal Commission on Unemployment contained recommendations designed to alleviate the burden of able-bodied unemployment upon the rates, but until the Government's scheme was announced, it was impossible to say what relief might be derived from it. It was not even clear that certain proposals in the Commission's report would not add further charges to the rates."

And there is in some circles a fear of even that taking place. Here is another statement of a similar kind from a Conservative and former Mayor of Manchester, Alderman J. H. Swales:

> "The time has come when the big cities should no longer have to bear the brunt of this burden. The weekly cost of relief in Manchester went up to £14,460 last week, an increase of £2,710 on the cost in the corresponding week last year. The amount for one week is now equal to the yield of a halfpenny in the pound on the rates."

That is taken from the "Times" of 22nd February. I could go on to call attention to places like Merthyr Tydvil, Newcastle-on-Tyne, Sunderland and other places, but I think I have said enough to show that, as far as the local authorities are concerned, we are certainly in the midst of steadily deteriorating conditions, and we are entitled to-day to ask ourselves to what those steadily deteriorating conditions are due.

So far as the additional charges for public assistance are concerned, perhaps two factors are primarily responsible. One is the operation of transitional payments. I know that transitional payments, in the main, are a charge on the National Exchequer. They are provided by the Ministry of Labour. Anyone who knows anything at all about the administration of transitional payments, knows quite well that all kinds of devices are employed to get men off the live registers of the exchanges, and they are steadily passing increasing numbers on to Poor Law relief. I think that there is no doubt that, as long as the present system operates, that will be a tendency to which we shall have to pay attention. The other factor which may be largely responsible for the increased burden of public assistance is the actual increase in unemployment and poverty throughout the country. I may be reminded, when I mention that fact, that the increase in unemployment and poverty is not due in any way to the policy of the Government. I shall probably be told that it is due to causes over which the Government have no very direct control. I do not know whether they would use that argument to suggest that they should not in any way more than is suggested in this Bill come to the assistance of the public authorities in the dire difficulties in which they find themselves.

I shall not argue as to who is primarily responsible for the ever-increasing unemployment and poverty which we find to-

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day. I do not know how far we should be in order on this occasion in dealing with the operation of the Local Government Act of 1929 and all that has followed in its train, but this Bill arises out of that Act and makes it necessary for the Government to ask the House for £5,350,000. I take it therefore that it will be possible to say something about the operation of the 1929 Act in certain directions and especially its effect in casting increased burdens on some sections of the community while relieving others of burdens which they could, perhaps, quite easily have carried. I do not think anybody in the House will disagree with me when I say that the incidence of rating in the last three or four years has changed considerably. It is now falling increasingly on the householder, the shopkeeper, and the professional classes. Where there are increases of rates under the present system it is obvious that they will fall most upon the three classes I have named.

So, when I call the attention of the House to the increasing difficulties of local authorities I stress, at the same time, the fact that we are placing to a greater extent on the shoulders of the ordinary householder, the shopkeeper and the person of the professional class, the burden of dealing with the poverty and distress which is prevalent in so many of our towns and cities. I do not think that I would be in order in arguing as to the rights or wrongs of the de-rating. I might quote figures to show how certain industries have been relieved although judged by their present position they ought to be asked to carry a far greater share of the burden than they are now carrying. I shall not weary the House, however, with details about certain types of undertakings which have all the benefits of de-rating and which according to the returns of their profits and dividends, might be asked to carry a larger share of the burden. If I am asked for those details I can give them.

4.20 p.m.

Mr. SPEAKER: As the hon. Member has raised the question of what is in order in this discussion I may point out to him that were it not for the Amendment which he is now moving, the Debate on the Bill itself would be confined to very narrow limits. All the Bill does is to fix the amount which is to be paid in the form of block grants to local authorities. The Amendment, however, seeks to bring in all sorts of matters which are really outside the Bill and as far as I can see the only connection between the Amendment and the Bill is that those questions are covered by the Local Government Act of 1929. While I have allowed the Amendment to be moved, I do not think that it would be in order on this occasion to enter into a detailed discussion of the merits of the de-rating part of the 1929 Act. The hon. Member might be in order in referring to it but he would not be in order in going into any parts of the Act of 1929, except those which are directly affected by this Bill. I think there are only two sections of the Act of 1929 referred to in the Bill. One is Section 86, Sub-section (3) and the other is Section 54, Sub-section (1). It would be in order to discuss those Sections which are referred to in the Bill but it would not be in order to discuss, to any extent, the other parts of the Act of 1929 which are only dragged in by the Amendment.

4.22 p.m.

Mr. BROWN: I am obliged to you, Mr. Speaker, for your Ruling, and, as far as possible, I shall try to keep within its terms and not discuss the de-rating provisions of the Act in more than general terms and by way of passing reference. One aspect of de-rating is that agriculture, for instance, was entirely de-rated, and the saving to agriculture is said to be somewhere in the region of £4,000,000 a year. The Government are pursuing a policy which they imagine will restore agricultural prosperity to this country. If that policy succeeded, surely there would be ground for maintaining that revived and prosperous industries ought to be asked to bear greater burdens than they are now bearing, having regard to the general poverty of the country, especially in those areas which I have mentioned. I have already referred to the present incidence of rating. I have suggested that there are certain industries which could bear more than they are bearing now in view of the profits they are making and the dividends which they are paying.

We are bound to look at this Bill in the light of the general policy of the Government. The Parliamentary Secretary said that he would not be justified in present economic conditions in asking the House to agree to more new money than the £350,000 to which he referred. He said he did not think that anyone in his position could ask the House at present for more money for expansion of the social services. We are bound to judge that statement in relation to the general policy of the Government. We know that within a few days—even in the present economic condition of the country—a Minister will be asking the House of Commons for more money for the Army, and another Minister will be asking for more money for the Navy. Surely the Parliamentary Secretary, having regard to that fact, cannot find any satisfactory excuse for saying that in present economic conditions he does not feel justified in asking more for the social services.

There seems to be a contradiction in the Government's policy. If they are so much perturbed about the general economic condition of the country as is suggested, they would not ask for any more money for any purpose. If they are going to ask the House to vote any more money, then, we say that that money ought to be for the social services rather than for the Army and Navy. About a week or a fortnight ago the Chancellor of the Exchequer told the House of the change which had come over the situation since the National Government assumed office. He spoke of restored confidence, but he went on to say that confidence was not sufficiently restored to set in motion and put to use the dormant capital lying in the banks. His argument seemed to suggest that the present situation, in the minds of some Ministers, raises psychological rather than economic questions. One cannot help thinking that some of His Majesty's Ministers must be trying to qualify for diplomas in psychology instead of addressing themselves to the economic question which is primarily their concern.

The Parliamentary Secretary deprecates asking more money for social services under existing conditions. I suppose he thinks—remembering those who sit behind him and around him—that if he did so he would be greeted with a howl of execration. On the other hand the Lord President of the Council told us the other night that there were to be no further cuts in social services. That was a very admirable statement. I notice that an hon. Member on the back benches opposite shakes his head. Probably back-benchers opposite know more about what is going to happen to the social services than those on the Front Bench. I cannot say. I have no inside knowledge of the workings of the Conservative party. But the Lord President of the Council spoke of the undesirability of further cuts in the social services. In this Bill we have an indication of the policy of the Government in regard to social services. I think it is obvious that that policy is more or less a standstill policy. The full measure of what they propose to do is this £350,000. That is an indication of their view. But in these matters one cannot stand still. One must either be progressive or reactionary.

Mr. HERBERT WILLIAMS: Or sensible.

Mr. BROWN: As to what is sensible and what is nonsensical in national policy there is a difference of opinion, but I should say that the policy advocated by the hon. Member for Croydon (Mr. H. Williams) is not very sensible if we take the larger view of national life and national development. I should describe that policy, generally speaking, as rather reactionary. In conclusion, I want to put this to the House. During a recent period, in regard to which I will not for the moment fix dates, there has been going on in this country an ameliorative process which has humanised large stretches of our social life. Everyone will be prepared to pay a tribute to the beneficial effects of that process in one direction or another. We, on these benches, feel very strongly that His Majesty's Government are calling a halt to that ameliorative process.

In asking the House to give a Second Reading to this Bill to-day, the Government had an opportunity, had they so desired, considerably to assist the local authorities, which are in very great difficulties, by putting in new money. The Government are refraining from doing that, and we feel that we are doing them no injustice when we speak of what they are doing in this matter as being reactionary and as, in a way, playing up to those who have made the most clamant demands in all sorts of ways for the curtailment of our social services. We feel, in spite of what the Parliamentary Secretary has said about the need of economy, that the money spent on our social ser-

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vices, taking the long-time view, is actual economy. If you take the view that the lives of our people, their health and their general wellbeing are our greatest assets, then the money you spend on the social services is real economy. Let us remember, when we talk about gold in the Bank of England, about financial transactions, and about the world's financial system tumbling to pieces that, although these things are important, our real assets as a nation are healthy human beings able to live decent human lives. In so far as the Government pursue a policy which makes that more and more difficult, we are bound to criticise them.

4.33 p.m.

Mr. LOGAN: I beg to second the Amendment.

I wish to call attention to one or two particular points. I shall not deal with ancient history in the Tudor days but with the needs of local rating in regard to the Poor Law, and compare questions of Poor Law and rating to-day. There was an agrarian movement then, and to-day there is a mechanised movement, which surely calls for better treatment. I am convinced that the extra grant given under the Bill, although the Government may think that it is going to give relief will, from the point of view of many of the distressed areas, be infinitesimal. The sum of money allocated is inadequate. I should have thought that in putting this matter to the House the Minister would have been prepared to ask for something more liberal, and in fact would have gone on an entirely different system, because 1929 and 1933 differ very materially. Every hon. Member must understand that so far as trade depression is concerned extraordinary remedies must be found to deal with the distressed areas. We cannot wait much longer, and the proposal of the Government to-day is no solution of the problem.

I know that on this occasion I cannot go into this matter very deeply, but I will give reasons in one or two instances why I think a different system should have been introduced and the question of rating dealt with on different lines. The distressed areas are burdened to-day up and down the country. I will take the City of Liverpool as being typical of many of those areas. The Merseyside is badly suffering from unemployment, and much of the distress is in consequence of the transitional period. Many of these men, having been refused transitional payment, have now come on the rates, and locally we have to bear the burden. In the City of Liverpool the increase this year is estimated approximately to be nearly £200,000. In 1931-32, £1,517,705 was paid out in relief; our estimate for this year is £1,710,798. We are having a rate for public assistance alone equal to 5s. 11⅝d. We are a seaport, and we have many returned migrants from Canada. This extra burden is being thrown on the shoulders of the citizens of Liverpool while neighbouring seaside boroughs are able to get along with a much cheaper rate. Therefore, we ought to get a much bigger grant than we are being offered. From the point of view of economy, and in justice to the area which I represent, I am bound to put this matter forward and to point out that what is applicable to the great seaport town of Liverpool is also applicable to other areas.

Let us take the question of London. We find in these great seaports that there is ingress and egress of people moving to and fro. In bad times the people do not flock out but stay there, and, as a result, these seaports have to carry what is not a local but a national burden. When you come to deal with Liverpool and London, two great seaports, you are dealing with the two most important arteries of Great Britain. The trade of England is dependent mostly on the shipping interests of London and Liverpool, which are performing not a local work but one of national importance. If we do not ask for preferential treatment, we have at least a right, equal to that of other districts, to come here and put forward the case of these areas, distressed through no fault of their own, which ought to get increased assistance to carry on this work of national importance. If you take 100 per cent. as your standard; if you realise that 25 per cent. of the carrying trade of England is done by London and 25 by Liverpool, and that the remaining 50 per cent. is distributed among the other ports in a smaller degree, you will see how very important this question is to the seaport towns from the point of view of trade depression; and it will not be thought ungenerous or uncharitable that a Member representing a depressed seaport town should ask, equally with the representative of a factory town or a mining area, for due consideration of its pressing claims.

We are burdened to this extent, because we are performing national work, and therefore, when we are doing that work and taking the responsibility from the Government for which we never asked, the cost should not be thrown on the Poor Law or the local rates. I have a right, when the burden of national expenditure is cast on local districts, to ask the House to be more generous. Equalisation in the distribution of rates should have been a corollary to the bad effects from which we are suffering to-day, but if we cannot get that it is no good talking about economy and only giving the smallest grant that can be allowed. Unless the Government are generous and take the full burden of national responsibility, we shall have nothing but misery, squalor and bankruptcy in the distressed areas, and it is difficult to see how these large areas, with this great burden, will be able to carry on. The tradesmen in the big cities cannot meet their accounts, and, with the middle classes, are being so badly hit that every city is on the brink of bankruptcy to-day.

The Government have a majority in this House unparalleled in its history. I expected that they would have risen to this great occasion of national responsibility, and every town and borough was expecting the Government to assist generously. We can hand out loans to a depressed country, and we want to bring stability to other nations. My firm impression is that stability ought first to be secured at home. If you wish to be generous, come to the aid of the distressed areas and give public contributions to those who can get the wheels of industry going again. You should revive those municipalities which are anxious to bear the burden, but which lack the means at present to meet the situation. I am convinced that, although the National Government may consider this grant to be generous, it does not meet the requirements of any of the distressed areas. I appeal to Members of the Government, whether they be composite Liberal or one hundred per cent. National Tory Members, to raise their voices and ask that this Bill shall be rejected, and that the Minister and the Government shall rise to the occasion and face the responsibility. Every municipality is demanding from their representatives here that they should voice their opinion and ask for strong action from the Government. The Government are only playing with the situation. It is because I feel that we cannot locally stand this great strain, and because I feel that if ever there was an important matter before the House this is one, that I second the rejection of the Bill. That is not to say that I am not anxious to aid the Minister in any proper way to give relief, but because I think his effort at present is inadequate to meet the situation.

4.44 p.m.

Lord EUSTACE PERCY: I must apologise to the House for troubling it again on this question, but I hope not to trouble it for long. I do so because I do not think that any more important Bill has been or will be before this House for some time. It is quite possible and very arguable that this Bill represents the right policy, but I confess I should like, if I may ask for it, for a clearer statement from the Government of their policy. We cannot but be alarmed to see this Bill, important as I believe it to be, introduced as a purely routine Measure. My right hon. Friend the Minister of Health, in the Debate on the Financial Resolution, assured me that the introduction of a Bill of this kind a month or six weeks before the Budget was quite normal. The Parliamentary Secretary has informed us that this is a purely routine piece of mechanism. He comes into the House apparently glorying in being:

"A being that moves
In predestinate grooves,
Not a 'bus, not a 'bus, but a tram."

But surely we cannot treat this Bill in this way. Not unusually Governments, in the second year of their office, somewhat heedlessly engage themselves in Measures which tie their hands and determine their whole policy by limiting their finance for the rest of the life of that Parliament. I could quote an instance where that happened to a previous Government in 1926, but I will not go into ancient history. What are the Government doing here? The Chancellor of the Exchequer told us, in the Debate which took place just before the Summer Adjournment, that quite clearly any hope of economy, of reducing Government ex-

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penditure, depended mainly on the possibility of reducing grants to local authorities. The Private Members' Economy Committee came to precisely the same conclusion, as would be natural. It would be out of order for me to go in detail into the recommendations of that committee, but, if the House will allow me to say so, the only object of Private Members concerning themselves with actual proposals for economy is that, after they have done it, they will henceforward refrain from merely general adjurations to the Government for economy, but will concentrate on those conclusions which they themselves have arrived at. The conclusion at which that committee did arrive, obviously, was that the only chance for major reductions of expenditure lay in reductions of grants to local authorities; and by far the greater part of the reductions which that committee suggested were not reductions in education expenditure, which is covered by percentage grants, but reductions of expenditure which is covered by main block grants.

The Government come before us and say: "Before we have introduced our Budget, before we have announced any policy for future finance and taxation, we are going to tie our hands by resigning any hope whatever of securing reductions in expenditure for the national taxpayer. Any reductions in expenditure which may be effected by local authorities as the result of the report of the committee presided over by my hon. Friend the Member for Richmond (Sir W. Ray), are to go to the ratepayers and not to the taxpayers." That may be sound policy, but observe the position in which we are living. In every quarter of the House there is a desire to see the Government have in their hands some margin of finance. Some hon. Members desire to see the Government obtain that margin in order to reduce national taxation. Some desire to see it in order to stimulate works of capital development and for the purpose of contributing something towards a return of prosperity. A third section, as we heard in the Debate the other day, would desire to use any such margin for the purpose of increasing payments to the unemployed. But whatever may be the opinion of hon. Members in various quarters of the House as to the way in which they wish that margin to be used, this at any rate is clear, that, if the Government cannot secure any such margin, their activities, their policy for the whole of the remainder of their life, will be confined by the continual preoccupation of barely making both ends meet. That is a prospect which every enthusiastic supporter of the Government like myself, if not for every hon. Member opposite, is a very dismal prospect; but even for hon. Members opposite, who, however much they dislike the Government, do desire in the national emergency to have a Government strong enough to act in some direction or another, must view with considerable apprehension the prospect of the Government losing all power to build up a margin which will enable them to take positive action.

Mr. EDWARD WILLIAMS: The noble Lord said they never had it.

Lord E. PERCY: They have never had it during the last 18 months, and it is the continual preoccupation of making both ends meet that is clogging the actions of this Government. The Minister, in reply to my hon. Friend the Member for South Croydon (Mr. H. Williams) in the previous Debate, said quite justly that he did not think that it was fair to attack the local authorities for extravagance, because they had statutory duties and their expenditure was governed by statutory obligations from which they could not escape. That is true, but observe what has happened. For what object was the Local Authorities Economy Committee, presided over by my hon. Friend the Member for Richmond, appointed? It was appointed precisely in order that local authorities might tell the Government and the House in what respect their statutory obligations interfered with their proper administration of social services, tied their hands, and withdrew from them the freedom that administrators of social services should have. They were asked in what direction the Statutes of this House were too onerous for them. While the Ray Committee recommended many economies in detail, it recommended practically no alteration in those statutory obligations. They did not go to the Minister and say: "We are bound to spend this and bound to be slightly extravagant because of the onerous nature of our statutory obligations"; their report showed that the local authorities hugged their chains and would not part with any of their powers.

That means one of two things. Either it means that local authorities will not be able to economise at all, or, under the policy inaugurated by this Bill, that all economies made in local administration will go in aid of the rates and none of them in aid of the taxes. Apart from the problem of the distressed areas, which is a separate and restricted problem, great though it be, we all know that local authorities are making economies in the administration of their services which are not seriously, or indeed at all, affecting the efficiency of those services. Although they may be creating a certain amount of unemployment, they are certainly reducing expenditure. The House has only to look at the Education Estimate, the totals of which have already been laid before the House. The reductions in the Education Estimate mean, so far as I can calculate, a reduction of at least £2,500,000 a year in the expenditure of local authorities, other than expenditure on teachers' pensions. That indicates a tendency to very large reductions in local expenditure, and the Government are here, in advance of the Budget, resigning any interest in those economies, any share in the results of those economies except economies in education—a somewhat ominous attitude for those who, like the hon. Member for Aberavon (Mr. Cove), take a great interest——

Mr. COVE: Is not the Noble Lord arguing now against the block grants?

Lord E. PERCY: I have always told local authorities that they would enjoy very much greater security under a block grant. It would be out of order for me to go into the general question of block grants, but I am arguing now that the block grant is right. It is sound to give the local authorities the whole benefit of their economies in ordinary times, and it may be, as I have said, that the Government policy is perfectly sound in this matter. If they will say, "We agree that the Government must have a financial margin on which they can act, but in our judgment that which is most important in order to restore prosperity is the action of local authorities. We wish to give local authorities that margin of finance, that extra credit on which they can engage in capital works or a margin which they can translate into a reduction of rates which may well encourage local enterprise." If they say that, if that is the main ledge on which the Government intend to stand, it is an intelligible policy, but let it be stated clearly.

I would implore the Minister to reply on this Debate in its relation to the Budget with which the House is bound to be faced in the future. The Government are taking a most important step. They are asking the House to enter into a most important commitment, a commitment of the whole of their financial policy for the next four years. As such, surely it deserves a fuller statement of policy than has yet been made by the Government. The hon. Member who moved the Amendment spoke a great deal about social services. That is a phrase I sometimes feel that I should like to eliminate from the political dictionary. According to the hon. Member's argument, it is a social service to give more transitional payment to unemployed men and women without giving them any work to do in exchange, but it is not a social service to vote money for the Army which it spends in making roads and in the development of camps on a large scale on Salisbury Plain. Such is the confusion of thought into which this talk about social services is apt to lead.

The great problem of the social services in the future is this: If the anticipations of most of us are right, and if the policy which has always been pursued and is desired by hon. Members opposite turns out to be successful, then inevitably the social services will have to be financed more and more out of the pockets of the householder, the small shopkeeper and the professional man, and less and less out of Income Tax. The capitalist accumulations of wealth which the Income Tax taps are now dwindling, and, if our anticipations are right, will never be restored to their former total, and more and more the whole development of the social services will depend upon their being so reorganised that they can be financed out of the pockets of the million rather than out of the pockets of the few. It is because I attach such importance to the social services that I think it is vital to assure ourselves that they are so organised that in the future they can be financed in that way. I do not think we could have foreseen it in

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1921 when we passed this Act, but I am absolutely sure that in days to come it will become impossible to finance health or education or any of the social services out of Income Tax to the extent represented by the present scale of grants. That is the real danger of the future, and that is a final reason why I think the Government ought to offer to us very much more serious arguments before they invite us to commit ourselves for four years ahead to grants at the present rate.

5.2 p.m.

Mr. McGOVERN: The Noble Lord the Member for Hastings (Lord E. Percy) commented at the outset of his speech on the fact that the Government were inclined to treat this Bill as of rather a routine character, and to give scant consideration to the desires of the House, but I regard that as rather a reflection on the back bench supporters of the Government in this House, and I would congratulate the Government and the party Whips on having reduced their back benchers almost to absolute silence on Government policy. It is a grave reflection on the Members of this House that they should allow the Government to treat them with so little consideration. I do not blame the Government, but blame the ordinary Members, who are very brave in their constituencies and in their week-end political speeches in telling the people how they will go to the House and defend the interests of the depressed areas and see that the Government pay heed to them. I want to associate myself with the Amendment put down by the official Opposition. We feel that the Government are inclined to go on with these small grants, in the spirit in which the Prime Minister suggested the granting of small sums of money to local charitable organisations in the hope that they would be able to carry on the ordinary business of the country but with no desire or determination to face up to the difficulties which surround many local authorities.

Since the National Government came into power their policy has placed a large number of people on the unemployed register; their application of the needs test and the shortening of the period of ordinary unemployment benefit have tended to throw more and more of the working class on to the rates; and with the growth of unemployment and the "cuts" the people who pay rates are incapable of bearing those additional burdens. We are entitled to expect larger grants to be given to the local authorities to enable them to meet the needs of the local areas. In Glasgow, which is not one of the worst areas in the country, although there are something over 100,000 persons there who are unemployed, we find that since the National Government came into office there has been a gradual alteration in the matter of public assistance. A Glasgow authority have stated that the amount of money they are compelled to pay from week to week has risen by from £10,000 to £12,000 since the beginning of this year. If that be true, and it is so according to statements made locally by the budget committees and public assistance officers. and if the Government, according to the statements of their official spokesmen, do not expect any serious alteration in the numbers of the unemployed during the next 10 years, then the Government are failing in their duty to get down to this business seriously and devise a plan for bringing some measure of relief to local authorities. Many areas are in a tragic position. Even with the best will in the world they are quite unable to keep their poor. The poor are being expected to maintain the poor, although having themselves suffered "cuts" and reductions of a serious character.

Do the Government seriously think they can continue with this policy? In cities like Glasgow there are businesses which have been de-rated, although they have made tremendous profits. We may take the tobacco trade as an example. With the increase in cigarette smoking by the female sex profits have grown tremendously. Any reduction in demand on the part of the male part of the population has been made up by the female part. Yet the Government came along and said to them, "Here, you poor fellows in the tobacco trade. We must relieve you of a portion of your rates. We must see that you do not suffer in any shape or form." In many cases a man and a woman with 23s. 3d. a week has to bear a share of the cost of de-rating these large industrial concerns. I say that such action is detrimental to the interests of any civilised State, and that no one can believe the Government to be seriously in favour of equality of sacrifice while they pursue such a policy. I meet people every day who are appealing for relief from rates. They have been driven to the door, they are in the eviction courts, they have been driven to desperation, and yet they are compelled to contribute their quota towards the rates. If the Government were desirous of bringing about equality of sacrifice, even of securing a reasonable application of that term from the capitalist point of view, they ought to begin the de-rating of the unemployed and the lower-paid wage earners. Grants ought to be set aside by this House for the relief of those who are on the bottom rung of the social ladder, struggling with adversity and despair.

I am not inclined to treat the efforts of the Government to deal with this matter as being very serious. They go on in a mechanical, robot fashion, bringing in ordinary Bills, giving ordinary sums. They do not realise that they are living in a world which is crumbling under their feet. All over the world we see a collapse of prices which will eventually land us in catastrophe, yet they make no provision for the future. There are often sneers in this House at the efforts of Soviet Russia to plan for five years ahead. Our Government would be well advised to plan ahead for five or 10 years in their efforts to meet our growing unemployment and growing poverty, instead of sitting down comfortably with the expectation that the great mass of the working class will bear for all time the sacrifices they are compelled to suffer during these days of adversity. I ask the Government whether they have any plan to give to the House. Last week we had some discussion with the Prime Minister on whether the Government were going to submit schemes to the House which would give local authorities the power to deal with unemployment if they as a Government were not prepared to undertake the task. The Noble Lord the Member for Hastings talked about the reduction in social services and discussed what really were the social services, speaking of transitional payments in that connection. In industrial areas local authorities who desire to expand the provision made for dealing with the poor, their diseases and their ills, have attempted to plan for extensions of hospital accommodation, the extension of welfare schemes, the extension of many activities that might bring a ray of comfort and hope to the common people, but they have been compelled to cut them down drastically, because of their inability to raise money, and the Government have not attempted to come to their aid in any shape or form.

I say the Government are failing criminally in their duty by their failure to provide larger grants. I do not look upon the Government differently from how I should regard an ordinary person who refused to provide money for local needs and in that way make himself guilty of a serious crime. If I brought a child into this institution and dashed its brains out at that Table there would be a cry of revulsion from every Member in the House, independent of party; but that is what the Government are doing in effect. They do not dramatically cut away a life by a single blow, but they do the same thing by their refusal to provide financial aid. They deprive children who are entitled to succour and nourishment of the essentials of life, and just as though they were to put them into a chamber in an attempt to crush out their lives, so they are successful in depriving large numbers of children of the opportunity to live. I repeat that the Government are failing in their duty. But let them go on. They sit there comfortably, believing that everything is right because they themselves are comfortable and well-fed. I can only repeat, as we have so often said in this House, that one day they will be awakened from their slumbers by the working class of the country and of the world, by financial catastrophe, by economic crisis, by the poverty and despair of the common people. They will be roused from their slumber by the working class knocking at the chambers of this House, taking control of the economic means of life, and restoring prosperity and the real economic foundations of society by instituting a system of common ownership of the means of life in place of the dying system of capitalism.

5.15 p.m.

Mr. H. WILLIAMS: The situation in respect of this Bill is rather unusual, because every hon. Member who has spoken up to now has criticised it; I am going to do the same. The grounds of our criticism are not identical. The Minister says: "As nobody agrees with me, I must be right." That was the line of argument he took when we were discussing the Financial Resolution. The

[Mr. Williams.]

Parliamentary Secretary, in an admirable speech, defended the Bill on grounds that we must keep faith with local authorities. That implies that this Bill is a contract. The obligation is a statutory one and not a contractual one, and therefore no breach of faith is involved. My own view is not that Government grants should be reduced so that local rates should be increased; the circumstances are such that both grants and rates ought to be reduced.

I would point out to the Parliamentary Secretary that since 1928, when the original Bill was introduced, we have had a financial crisis, and that we are still in a financial crisis. The financial crisis of the Autumn of 1931 still continues, but since the Bill was introduced, the cost of living, as measured by the Ministry of Labour index number, has declined, but we take no account of that. We ignore the fact that the aggregate income of the people of this country is, I suppose, at least one-quarter less, measured in pounds, than it was when the Local Government Act was passed into law. We are going forward on the assumption that we can afford these things. There was not the faintest recognition on the part of the hon. Gentlemen opposite, in their eloquent speeches, that the things for which they asked would have to be paid for. I have never thought that the government of the country differed in principle from the government of a household. If my income is diminished, I have to cut down in some direction or another. There is hardly a single grant of public expenditure which at the present time ought not to be reduced.

Mr. MORGAN JONES: What about the Army and the Navy?

Mr. WILLIAMS: May I give an example? I think it was the hon. Member for Mansfield (Mr. C. Brown) who made a contrast between the proposal to cut social services and the fact that the Army Estimates are up by, I think it is, £1,500,000, consisting to a large extent of replacements of stores and the re-establishment of the annual training of Territorials, without which the force would come to an end. The alternatives are either wipe out the Territorials entirely, or restore their camp. Let us examine the Defence Estimates, and see what contrast they make over a substantial period of time. Let us take a period of 10 years, at the beginning of which the Defence Estimates were roughly the same as they are to-day. What has happened to the Civil Service Estimates, of which the Local Government Services are a very large part? They have risen from £226,000,000 to about £350,000,000. I have to say "about," because we do not know the final Estimate for the Ministry of Labour, and I have made my own estimate that the additional sum will be about £25,000,000. In place of that increase, it is absurd to institute any comparison between the Defence Services and the social services.

Mr. COVE: Are the unemployed in that figure?

Mr. WILLIAMS: Certainly. Where else would the hon. Member expect to find them? Very largely, the unemployed are in that figure because our taxation is excessive. That is why they are there. [*Interruption.*] Well, let us look at it. Under the auspices of hon. and right hon. Gentlemen opposite, every conceivable encouragement was given to local authorities to spend more money on every conceivable device for the creation of work. What was the result? Complete, absolute and colossal failure. You had a contemporaneous increase in unemployment when you had the largest schemes of relief work ever undertaken. I am one of those who would never inaugurate one penny piece of expenditure on the abstract ground of the artificial manufacture of work. That is a policy that has always failed in the past and will always fail in the future.

The hon. Member for Mansfield complained of the increased burden falling upon many local authorities owing to the growth of public assistance, because of the fact that a certain number of people are receiving public assistance who otherwise might not receive it. I am not going to argue the merits of that. If you have greater expenditure in one direction, that is all the more reason why you should economise in another. Why cannot other local authorities follow the example of the London County Council? The social services are better run in London than in any other part of the United Kingdom. There is a higher standard and a greater measure of efficiency, while there is a smaller increase in expenditure compared with pre-War days, than is the case with any other municipality, despite the fact that in London, as everybody knows, everything is rather more expensive. At this moment, despite the fact that the London County Council are under pressure because they are providing for an increase in public assistance, they are reducing their rates, and they are doing so at a time when they know that, as a result of the application of the formula in the Bill, they are to have their Government grant reduced. Authorities who find that their expenditure is increasing, ought to take steps to reduce it, as every private citizen has to do.

It is not as if all this expenditure produced a beneficial result. The plain truth of the matter is that there is great waste in the administration of the social services. Will anyone say, at a time when our engineering efficiency is highest, that the cost of collection and disposal of house refuse in this country could not be reduced? It has risen from a figure of £2,687,000 in 1913-14, to £7,141,000 in 1930; why should it be nearly two and a-half times as great?

Mr. LOGAN: Despite the fact that the National Government were elected to clear up the mess?

Mr. WILLIAMS: If the National Government were to sweep out the rubbish which is on the opposite benches it might be necessary to introduce a special supplementary estimate for the purpose. I merely mentioned the subject of house refuse as an example. Any hon. Member who goes to the Vote Office and studies the analysis of the expenditure of local authorities in England and Wales for 1913-14 and for 1929-30, the latest year for which the analysis is given, will be able to see the figures for themselves. The Paper is Command Paper 4233, the Statistical Abstract for the United Kingdom, and the page is 192. There hon. Members will see example after example of great increases in cost for which there cannot have been any comparable advantage to the public. I am not saying by that that all the increases have not led to advantage. I am contending what is obvious to any hon. Member, that a great many of the services could be rendered at higher efficiency and at less cost.

That is perfectly obvious when you study what happens in certain authorities, when one or two competent people take charge of a thing and produce higher efficiency at lower cost. Other authorities merely drift along, and the Minister, as is his duty, defends all his fellow-conspirators up and down the country. He is duty bound to say how self-sacrificing local authorities are. They are, but that does not prove that they do their job well. Because a man is virtuous it does not make him wise.

Mr. LOGAN: The hon. Gentleman dare not mention in this House any particular place in the country.

Mr. PIKE: Sheffield, during the last Government.

Mr. WILLIAMS: I have not had the slightest hesitation when speaking in certain areas, to criticise the local government of those areas when I thought it necessary. I do not want in this House to be invidious, or to pick out one when the real thing to do would be to pick them nearly all out. The hon. Member for Mansfield, in dealing with public assistance, says that we are taking people off the live register and putting them on to the Poor Law. That statement is not true. A man may be disallowed benefit, but that does not take him off the live register. If a man is in receipt of public assistance on the ground of unemployment, in practically every case he is required to maintain registration at the Employment Exchange. That mistake has been made so often in this House, and I have contradicted it so often, that whenever it is made I regard it as part of my duty to contradict it.

There is collaboration between the public assistance committees and the Employment Exchange authorities. If hon. Gentlemen will study the quarterly returns issued by the Ministry of Health dealing with the Poor Law, they will find therein the number of persons in receipt of Poor Law relief from public assistance committees on the ground of unemployment, and who are simultaneously registered at the Employment Exchanges. They will find that the number of people who are receiving relief and who are not so registered is very small indeed.

Mr. LAWSON: Is the hon. Gentleman aware that the conditions do not prevail as they existed before 1931 when local authorities did insist upon registration as a condition of Poor Law relief? They

[Mr. Lawson.]

do not do it now for the simple reason that the same people are getting benefit as transitional payment.

Mr. WILLIAMS: The quarterly returns of the Ministry of Labour, I regret to say, are not published as a Parliamentary Paper but as a Stationery Office Paper, which can only be got if you fill in one of the green slips. It is not automatically available to all of us. If hon. Gentlemen will get one of those documents they will see that my statement is substantially true. The Minister, when he was discussing the Financial Resolution, said that there had been economies of £20,000,000 on the basis of 1929-30. I could not understand that statement, and I asked him a series of questions, but I am still not quite clear about it. The information in my possession shows that the expenditure in 1930-31 was, roughly speaking, £20,000,000 more than in 1929-30 and the difference was borne partly out of the rates and partly out of grants. According to the Ray Report, economies were effected, broadly speaking, on the basis of the expenditure in the Autumn of 1931, aggregating about £20,000,000; which means that, roughly speaking, we are now back to the expenditure of 1929-30, and not £20,000,000 below the expenditure of 1929-30.

Merely to have got back to 1929-30, when meantime the cost of living has fallen in the way that it has—it is now down by 12 per cent.—and the nation as a whole is very hard up, does not represent a satisfactory degree of progress. A substantial part of those economies were not economies in current expenditure, but were reductions in capital expenditure on road-making and other things. Hon. Members opposite speak all the time about social services. The best social service of all is the social service that a man can buy for himself because he has got a job. A very large proportion of our social services consists of maintaining unemployed people, or people who are distressed in one way or another because trade is not very good. My main object in urging economy is to restore people to employment. I believe that I am right, and, as my method has not been tried in recent years, and every other device has been tried, it might be worth while, even on experimental grounds, to try a bit of economy. Up to now we have not had a large measure of economy. We have had just enough to irritate people, but not enough to reduce taxation. The hon. Member for the Scotland Division (Mr. Logan) made a very eloquent speech, which was full of humanity, but which gave no indication of how all these things were going to be financed.

Mr. LOGAN: May I ask the hon. Member whether he has not been sitting in the National Government for 18 months?

Mr. WILLIAMS: I have not sat in it at all up to the present. That may be one of the things that is wrong with it.

Mr. LOGAN: In case my point is not clear to the hon. Member, may I ask him how it is that he has been so silent, and has not given to Members of the Government the benefit of his advice?

Mr. DEPUTY-SPEAKER (Sir Dennis Herbert): I must remind hon. Members that they must not address questions directly to other hon. Members.

Mr. LOGAN: I beg pardon.

Mr. WILLIAMS: I am sorry the hon. Member thinks that I have been unduly silent. Sometimes, when the Debate is over and we are refreshing ourselves in another part of the building, I am criticised by my friends on the ground that I take an unfair share of the time of the House. As a rule I try not to be too long when I speak, but I like to join in often. My sole reason for taking part in the Debate to-day is that I believe that we have allowed our local government expenditure to get quite out of control. I gave the figures in the Debate on the Financial Resolution. We have passed from spending roughly 7 per cent. of the whole income of our people on local government services, so far as they are borne by rates and Parliamentary grants, to spending something over 10 per cent., as far as I can make the calculation, in four years. The hon. Member for Aberavon (Mr. Cove) shakes his head, but he will not deny that at the present moment in Great Britain our local authorities are spending, roughly speaking, £300,000,000, partly out of rates and partly out of Parliamentary grants, excluding all their trading services. I am speaking of those services which are borne directly on the people's backs. I do not think that anyone to-day would estimate the aggregate income of the people of this country at more than £3,000,000,000. I think that that is a fair estimate. In 1929 the total was in the neighbourhood of £4,200,000,000 or £4,300,000,000. In the meantime, local government expenditure has increased, while our national income has diminished. We are sapping the foundations of our whole future prosperity.

I believe that we can restore our people to employment if we only give some encouragement to those who alone, in the long run, provide employment. It is employers, and not governments, who in the long run provide employment, and, so long as those who are responsible for the conduct of industry are working under existing conditions, every kind of enterprise is checked. If we had a Socialist system, and if private enterprise were abolished, other arguments might be applicable, but, so long as we are under a system of individualism or capitalism, whichever it may be called, we must permit it to have an opportunity to function. If its freedom to function is entirely destroyed, naturally the result is unemployment and widespread distress. It is because I believe it to be possible for the local authorities to render necessary services at a far lower cost, and because I think that a reduction in the cost both of the rates and of Parliamentary grants will react on our national taxation, that I express profound regret that His Majesty's Government have not given a decisive lead to the local authorities of the country.

I have met members of local authorities who have said to me, "How can we be expected to take action in this matter when the Government encourage our colleagues to go on spending at the same rate, because they are going to give us grants on the old basis, or on one slightly higher?" There is no impulse towards economy in local government, and I believe that that is vital. I believe that local government could be run much better without entailing suffering on our people. We want to provide all the necessary and essential services. We are providing a great many trimmings, and we are administering those trimmings at a very heavy overhead charge. It will be found that these administrative costs have risen in a manner which I think is not justifiable. It is only necessary to go round any borough and examine the details of expenditure and consult the annual accounts to find a great many items which could be cut out because they are not essential or vital, and nobody's well-being depends upon their continuance. There is no need to go into the precise details; everybody is familiar with examples of them. I hope that a large number of my colleagues in the House of Commons will continue to press upon Ministers the vital necessity of economy, and will guarantee them their unhesitating support in all the measures of economy which they adopt.

5.37 p.m.

Mr. KINGSLEY GRIFFITH: It is surprising, and almost alarming, to find what a large variety of texts this small Measure has provided in the course of the Debate. The hon. Member for Shettleston (Mr. McGovern) finds in it a text for calling upon the working classes to come here and take over control of everything. They already do that, by the way, by their votes, although they are not always given wisely. The hon. Member for South Croydon (Mr. H. Williams), on the other hand, asks that this should be the occasion for a great demonstration on behalf of economy. I should have thought that this Bill provided as much economy as anyone could have wanted. The Government appear to have gone as far as they could in doing as little as possible. The hon. Member for South Croydon makes a general attack on the social services. I do not mean that he wants to stop them all, but, when he regards the social services as expenditure upon which enormous new cutting is possible and desirable, I think he might reflect that, after all, these social services are in a large measure the foundation upon which not only the poorer people of this country, but he himself and his friends rest. If those services had not been provided in sufficiently ample measure, it is impossible to suppose that the people of this country would have gone through the difficult years during the War without our reaching some kind of violent convulsion which would have been far more expensive than anything which the hon. Member himself has contemplated.

Mr. H. WILLIAMS: The hon. Member says that we should not have gone

[Mr. H. Williams.]
through the War but for these social services——

Mr. GRIFFITH: The years after the War.

Mr. WILLIAMS: I would ask him, does he think we should have had to go through all these things if we had not been so wasteful?

Mr. GRIFFITH: The hon. Member's contention is that the unemployment from which we are suffering is due wholly, or in a large measure, to the large amount of expenditure. We are often told that this is the highest taxed country in the world, and a contrast is drawn with other countries which in that matter, according to the hon. Member, are more favourably situated. But, when we look at those countries, we find in point of fact that they have quite as bad unemployment as we have, and in some cases worse. [HON. MEMBERS: "No!"] Undoubtedly, that is the case. Merely saying "No" does not get us any further. I would advise hon. Members to look at the comparative figures for themselves. I agree that we do not want wasteful expenditure; I do not know that anyone in this House is advocating wasteful expenditure; but when we are asked, after very heavy cuts, pretty nearly to the bone, to carry that painful operation still further, and when we can see in front of us the certainty of the sufferings that it will bring, for a purely speculative gain in the matter of employment, I ask His Majesty's Government not to be lured by the prospect which the hon. Member for South Croydon has put before them. He is just as much taking a risk in proposing his short cut to prosperity as anyone else is in the various schemes which have been put forward, and in my opinion his short cut—that is to say, cutting down further when the people are already strained almost to breaking point—is quite as dangerous and speculative as anything that could be put forward.

In the present Bill we are considering something a great deal smaller than that. Many of us disliked the original Local Government Act, and I myself, when it was before the House two Parliaments ago, fought it to the best of my ability Clause by Clause. That Act, however, represented a far-reaching change in our local government which, once having been made, cannot be merely pulled down and taken away at a moment's notice. Certainly I think it would be unreasonable to expect the Government to take this occasion for undoing the work that was done by the present Chancellor of the Exchequer and Postmaster-General in that previous Parliament. That being the case, we really ought to regard this Bill as a mere instrument for carrying an appointed stage further the Measure that was passed in 1929. The only thing one can say in that regard is that, being bound by that previous Act to do a certain amount, the present Government have taken very good care to do no more, except to the extent of a derisory sum of £2,000 in the one country and £500 in the other. From that aspect I regret the way in which the Bill has been brought in.

Circumstances have changed, and the changed circumstances since the previous Act was passed can be argued both ways. The hon. Member for South Croydon says that the financial crisis is so much more severe that we ought to cut down more. Hon. Members opposite would say, and I would say, that the needs of the people have become so much more acute that in this matter some kind of expansion is necessary. The Government have their choice between deciding either to stay where they are or to contract further, but I do not think that that process can be carried on. I believe that a wise Government must find a time, when it is over its immediate crisis, to expand a little, because otherwise nothing will ever get moving. From that point of view I would rather see a more generous treatment given than a provision of the bare amounts which the previous Act requires.

Certainly I should not advise, as far as my advice could carry any weight, anyone to vote against this Measure. It would appear to me to be idle, when we are being given this step, merely to vote against it and try to bring the machinery to a standstill. I suppose that, if no Bill were passed now, although the previous Act says that Parliament has to determine the amount for the second fixed grant period, in that case what would happen would be that the amount laid down for the first fixed grant period would go on, although that period had expired. I am not quite sure what would happen in such an event. It is idle to try to express on this occasion all our root-and-branch objections to the machinery of the Local Government Act, which is there, with its block grants and many other things which I dislike, for good or for ill. We can only consider it on the comparatively narrow basis on which this Bill presents it to-day, and from that point of view, although I much regret that the Bill has not been couched in a more generous spirit, I think it is one which canont be voted against for any good reason.

5.44 p.m.

Mr. BANFIELD: I rise to support the Amendment. I was interested by the speech of the hon. Member for South Croydon (Mr. H. Williams), and its general attack upon local authorities on the ground that they were spending far too much money and were not getting sufficient efficiency or return for it. I was particularly interested to hear the hon. Member's statement that he believed that the administration of the local authorities in London was very much superior to that in other parts of the country. He made a special point of a reduction of 3d. in the £ in the rates of the London County Council. If the assessments in the other parts of the country were on the level of the assessments in London, you would get a very material drop indeed in the rates in the other constituencies. If there is one thing more than another on which so many people go wrong, and on which there is so much misunderstanding, it is in this comparison of rates as between one area and another.

Mr. H. WILLIAMS: If we compare with the year 1913-14, the amount spent in London has gone up 50 per cent. and the amount spent by the other county councils has gone up 150 per cent.

Mr. BANFIELD: There, again, one sees how easy it is to fall into misunderstanding by comparison of figures. In London, as compared with the rest of the country, unemployment has been nowhere as severe. In other parts of the country it has been five or six times more than in this area.

Mr. WILLIAMS: This excludes the whole of the expenditure on the Poor Law, and the question of unemployment does not arise.

Mr. BANFIELD: The fact remains that the bearing of unemployment in the other areas and all the contingent expenses that fall upon local authorities have led to far more expenditure by local authorities in other areas than has happened in London. The Parliamentary Secretary said that, if the Government were as generous in 1933 as they were in 1929, he was of the opinion that they were doing the right thing. Circumstances have altered very considerably for the worse, so far as local authorities are concerned, in 1933 compared with what they were in 1929. The increasing burdens in the great industrial towns are becoming almost intolerable.

I want to call attention to what, I think, is a very important factor inasmuch as the effects of it will fall upon local authorities. In June next there will come into operation a very important change in the working of National Health Insurance. The effect will be that almost immediately some hundreds of thousands of men who have been unemployed for a considerable period will immediately fall out of national health benefit so far as actual cash benefit is concerned. But that will not be the end of it. Next year their position will be still worse, provided they are still unemployed, and a very high authority has stated in this House that there is very little possibility of at least 1,000,000 of those who are now unemployed getting back into industry. These persons in 1934 will be out of National Health Insurance altogether. They will only then be entitled to pension benefit but if, unfortunately, they are still out of employment in 1935 they will not only lose payment and medical benefit in case of sickness but they will also lose pension rights. This will inevitably create a very large charge ultimately to local authorities under the Poor Law. I am quite convinced that these people, already so poor, and punished in the way of losing National Health Insurance benefit, not through any fault of their own but simply because of their unemployment, not able even to claim a pension at 65, will become a very great charge indeed upon the Poor Law. Therefore, the provision made in this block grant is not sufficient, and is not likely to be sufficient, and it will prove a burden upon the local authorities.

[Mr. Banfield.]

I wish it had been possible for the right hon. Gentleman to reconsider the whole question of de-rating, upon which this grant is fixed. It would not be unreasonable to have some kind of means test so far as de-rating is concerned and those great industrialists who are paying profits up to 50 per cent., scores of them 25 per cent. and who are getting 75 per cent. of their rates excused.

The MINISTER of HEALTH (Sir Hilton Young): I am not concerned in the amount of grant in respect of de-rating at all. The Bill does not affect the amount of the grant in respect of de-rating.

Mr. BANFIELD: This is a block grant paid to local authorities. Our complaint against it is that it does not make sufficient provision for the needs of local authorities in view of their special circumstances at this time. With all the will in the world, it will be impossible for cities like Liverpool, great as they are, powerful and rich as they have been, to continue without some assistance from the national Exchequer. The hon. Member for Croydon has argued that the Government policy should be to cut off all block grants of this nature altogether. What the effect of that would be I leave to the imagination of the House, but there is a feeling in many parts of the House that in some way or other Exchequer grants made to local authorities lead to extravagance and waste. I have been a member of a local authority for the greater part of my life. I have served on local councils and local guardians and bodies of that kind. Everyone in the House who has served on a local authority must be conscious, as I am, that the first thing in their minds is the question of expenditure, and that they have a very real desire not to tax their ratepayers more than they can possibly help.

I have been astonished to hear general charges of extravagance and wastefulness cast at local authorities. The vast majority of them are composed of men who subscribe to the doctrines of Conservatism, and have a desire for economy in all directions. They never go out of their way to pander to the poor, as they call it, but have always been careful not to be extravagant in that direction. I wonder what some of them will think about the speech of the hon. Member for Croydon, and not that speech alone but the fact that it represents a considerable volume of back bench influence in this House. I hope some of the big municipalities, like Manchester and Liverpool, will take notice that while, on the one hand, they are at their wits end to keep down local expenditure, they are charged on the Floor of the House with being extravagant and not caring about the way their expenditure grows.

That is the case that we have against this Bill. The hon. Member for West Middlesbrough (Mr. Griffith) said he did not see very well how they could vote against it because, if the money were not granted, something or other terrible would happen. I do not think he need worry very much about that. He can vote against the Bill with a good conscience. This House is like a stamp that stamps automatically everything that Ministers want to do. If by any means we defeated the Bill, we should have brought definitely to a head the very important question as to what should be done for the local authorities in view of the distress in their areas, and in view of the tremendous increase of expenditure under the Poor Law, an increase which must inevitably continue according to the expert authority that we have in the House. I wish it had been possible for the Minister to be far more generous to local authorities because, whether he likes it or not, he will sooner or later have to find money to help many of the distressed areas.

5.58 p.m.

Sir JOHN SANDEMAN ALLEN: The Parliamentary Secretary said that this Bill, as far as the bulk of the amount in question was concerned, was merely carrying out obligations to which we are already committed. At the same time, there is a small addition—one regrets that it is so small—of which I wish to speak. We heard my hon. Friend the Member for South Croydon (Mr. Williams) speak very airily and brightly, but not brotherly altogether, about the large municipalities some of whom are at their wits' end to know how to make ends meet, and do not know what is going to happen in the near future. They have had to practise economy at every turn. We live in hopes that the Minister knows how serious the condition is in distressed areas and how they are suffering in that very matter of Government regulations in regard to transitional benefit placing upon them an increasing burden which they are quite unable to bear. The matter is of desperate seriousness, and I am convinced that the Minister knows of it. I want, however, to bring the question more forcibly before the House. There have been some hon. Members in the House to-day who would get up and preach economy. Economy is a most vital and important matter, but when economy in one direction can cause immense losses in other directions, it is not a question of economy; it is nothing but folly.

I think it is time that the economy stunt was brought to a proper state in relation to what is going on in the country as a whole. There is the very serious problem of distressed areas which really must be faced, and I am not altogether convinced that the Government are facing it. There has been a recognition in the Bill of what, I believe, will have to be done a little later on. It is because the Government realise these difficulties and the certainty that the Minister knows our troubles that I support the Bill. To throw out those people would be to dishonour our neighbouring municipalities throughout the country. However small is the extra relief, it is worth while. We can only support the Bill and count upon the continued interest and understanding of the Minister so that the House and the country generally may realise that these troubles are no longer local, that it is absurd to keep them in local quarters, and that they must become a national burden and responsibility if we are to deal with this great issue in a proper way as a National Government should.

6.3 p.m.

Mr. BATEY: The major portion of the speech of the hon. Member for West Derby (Sir J. Sandeman Allen) was an inspiration to many of us. We were glad to hear one of the supporters of the Government coming from one of the large cities urging upon the Minister that the Bill was not sufficient and that something else should be done. As long as he merely does that he can express his discontent as much as he likes; the Government will go on in an easy way penalising the distressed areas and the big cities. I come from one of the most distressed areas in the country, and I listened very carefully to the speech delivered to-day by the Parliamentry Secretary, because I wanted to know whether there would be anything in the Bill which would benefit that area. After he had sat down, I was bound to confess that there was nothing at all in the Bill that would be of the least help to that distressed area. He told us that out of the £350,000 of new money, £145,000 would go to three counties and to several county boroughs. If there is only to be £145,000 of new money distributed among three counties and several county boroughs, then God help the distressed areas, especially the county areas.

I wish to take a line altogether different from what has been taken in this House for a long time. We have frequently debated that something should be done for the unemployed. To-night one is pleading that something should be done for the householders and the shopkeepers in the distressed areas. As I look at the Bill which has been brought forward by the Minister, I see no hope of any relief for either the householders or the shopkeepers in the distressed areas. I would like the Minister, when he comes to reply, to tell us how much of the £145,000 a distressed area like that of Durham will receive. It would be a piece of very useful information to us. In my opinion, the amount will be extremely small. In 1929 de-rating was an experiment, and the pool of £47,000 which was formed was an experiment. No one knew how it would work out. The money allocated to the various districts was an experiment. The Minister has missed a golden opportunity presented to him in the Bill because he has had an experience of four years to go upon. But he came before us to-day and said that the Bill deals merely with the second grant period. The Bill decides the grant, not for one or two years, but for four years, and year after year the expenditure of local authorities is increasing. Nobody can tell to-day how much the expenditure of local authorities will have increased by next year. To come after four years' experience for the second grant period and decide the amount of money to be given to local authorities for another four years is a huge blunder.

[Mr. Batey.]

As far as one can see, there is no sign of the expenditure of local authorities decreasing. If one could see any sign of the expenditure decreasing there might be some justification for the action of the Minister, but all the signs are that the expenditure of local authorities will increase, and, as I have said, to decide to-day what shall be the grant for a full four years is a huge blunder. The grant provided for to-day ought not to have been for more than two years. In fact the grant ought to be annual, as it would give the House a chance of reviewing the situation at the end of each year. The past four years ought to have taught the Minister that local authorities need to have some new sources of revenue. The sources of revenue in distressed areas are decreasing. In my own county, since the last grant period was decided in 1929, a large number of collieries have closed, and the revenue from those collieries has been lost to the local authorities. Seeing that there is a tendency especially in the distressed areas, for revenue to decrease, the Minister ought to have taken this opportunity of considering some new sources of revenue or of re-establishing some of the old sources of revenue.

The Noble Lord the Member for Hastings (Lord E. Percy) said that he believed in block grants. The experience of the area from which I come is that block grants are not good, but dangerous. An authority who has spent all his life in local government has assured me that the block grant has been tried before and has failed. It is failing on this occasion, especially in the distressed areas. Block grants, as a matter of fact, have a tendency to put far more of the cost of the semi-national services upon the rates and to relieve the taxes. We believe that part of the policy of the Government is to relieve taxes at the expense of the rates. The effect of the block grant has simply been to throw the cost of semi-national services more and more upon the rates. I mean by semi-national services education, roads, police, public assistance and some of the health services.

Lord E. PERCY: Police and education are not on block grants.

Mr. BATEY: I am speaking at the moment of the tendency of relieving the taxpayer at the expense of the rates, and they all seem to me to be semi-national services. The tendency seems to be to relieve the taxes of those semi-national services, and to throw more and more of the burden upon the rates.

Mr. DEPUTY-SPEAKER: I think that shows that the hon. Member is getting a little beyond the scope of the Bill at the moment.

Mr. BATEY: I rather gleaned from the discussions which have taken place that we were allowed rather a wide latitude and that we were not confined strictly to the wording of the Bill. If you pin me there I have only to obey, and will obey, your Ruling.

Mr. DEPUTY-SPEAKER: Mr. Speaker, has, I believe, already intimated to the House the lines of the Debate and has given considerable latitude under the wording of the Amendment. I was only reminding the hon. Member that in discussing general questions of taxation he was going beyond its scope.

Mr. BATEY: I did not intend to do so, and I will leave the matter there. In 1929 when the De-rating Bill was passed a Government communication was sent to local authorities which said:

> "The aim has been so to adjust the distribution as to make the assistance vary with the need for local government services in any area in relation to the ability of the area to meet the cost."

I have not the slightest doubt that in 1929 the objective was to assist the area in relation to its ability to meet the cost, but since then there have been enormous changes, and the ability of the area to meet the cost in 1929 does not apply to the same extent to-day. Therefore, the Government should have gone further than is the case in the Bill. They should have provided far more new money. After the allocation in 1929 the county of Durham was said to have gained £270,000, but the grievance of that area is that the gain which it was supposed to have received has been swallowed up by the increase in the cost of relief. To-day the increased cost of relief in Durham County, compared with three years ago, is over £400,000. That increased expenditure compares with three years ago. If in 1929 we were supposed to have gained £270,000 by allocations under the De-rating Act and that has been swallowed up by increased expenditure of £400,000 during the last three years, the Minister will see that we have a case for far more money than he is proposing to give.

The rateable value per head is extremely low in the distressed areas. In Durham last year the figure was £3 11s., in Surrey £9 9s. 7d., in Bournemouth £13 4s. and in Blackpool £12 19s. The rates in Durham last year were 13s. 6d. in the pound, in Surrey 5s. 5½d., in Bournemouth 7s. and in Blackpool 7s. 6d. This year there is to be an increase in the Durham rates. In consequence of the increased expenditure on Poor Law relief the Durham rate this year will be 14s. 6d. in the pound. The Minister ought to have taken the opportunity to get more revenue for the distressed areas, so that the rateable value per head might have been increased. It is unfair for one part of the country to have a rateable value of £13 4s. per head while an industrial area has a rateable value of only £3 11s. The district with a rateable value with only £3 11s. 10d. per head cannot, with the same rate, raise anything like the same amount of revenue as the district with a rateable value of £13 4s.

Seeing that the distressed areas are in this serious position, the Minister should not have been content to continue what has been happening during the last four years, because that means continuing to all intents and purposes the present condition of affairs. One authority says that if each district bore an equal share of the demand for roads, education, police and the relief of the poor, at least £700,000 would accrue to Durham County. That shows the very serious disadvantage that we are in. If the Minister does not agree, and it is clear from the Bill that he does not agree, to making the grants for less than four years, we can make out a case for an annual grant for unemployment. Unemployment is so serious and is rising so rapidly that the grant for unemployment ought to be annual, and not fixed for four years. In 1929 the Bill opened up a very wide field which the Minister would have been wise to explore. I am not sure that we have not come to the time when we ought to consider whether industry should not again contribute to the rates. I base that suggestion on the ground that industry to-day is in a different position from that in which industry found itself—I am thinking more of the basic industries—in 1929. In most industries to-day machinery has supplanted men to an enormous extent. Seeing the important part that machinery is playing in industry——

Sir H. YOUNG: On a point of Order. Shall I be in order in replying on the subject of de-rating?

Mr. SPEAKER: I have listened very carefully, and it seems to me that the subject is outside the scope of the Bill and of the Amendment.

Mr. BATEY: I know that we cannot discuss the Act of 1929, which provided for de-rating, but I think that on a discussion like this when we have to consider the extremely small sum of new money, £350,000, for the local authorities, we might be entitled to suggest to the Minister that he should give consideration to some of these proposals.

Mr. SPEAKER: The hon. Member has made suggestions to the Minister that the contribution from the Exchequer is not enough, but I do not think he can suggest that he should amend the other parts of the 1929 Act.

Mr. LAWSON: May I point out that the latter part of the Amendment reads:

> "and fails to amend the law under which industrial and freight transport undertakings and land are largely or entirely relieved from the payment of rates."

Mr. SPEAKER: The hon. Member could not have been in the House when I gave my previous Ruling. I drew special attention to the last few lines of the Amendment, and said that I doubted whether those lines were in order.

Mr. BATEY: It seems to me that the Bill is not sufficient. All that it provides for is for a second grant period for four years, and it only provides for £350,000. I want the Minister to consider other sources of revenue in order to help the local authorities, in addition to this new money.

Mr. SPEAKER: The hon. Member cannot do that on this Bill.

Mr. BATEY: There were other suggestions which I intended to put to the Minister, and I shall have to take some other occasion to do that. We cannot leave this question where it is, because the condition of the local authorities is so serious that there is every prospect of

[Mr. Batey.]

many of them getting into such a position that they will not be able to carry on. If we cannot discuss these matters now we shall have to take some other opportunity of doing so. For some months past I have thought the Government would take this opportunity of doing something to help the distressed areas. I remember reading in the northern Press that the northern Members of Parliament had been approaching the Minister and asking him to do something to help the distressed areas, and one got the impression that this was going to be the occasion when the Minister would help the distressed areas. If all that he is going to do to help the distressed areas is to find this paltry sum of £350,000, God help the distressed areas! Expenditure is bound to increase.

My colleague reminded the Minister that the National Health Insurance Act will tend to increase the cost of Poor Law relief. The Minister was responsible for the National Health Insurance Act in the middle of last year. At the end of this year when a man has been unemployed for two years he will lose his medical benefit and there will be only the Poor Law doctor when the man can no longer go to his panel doctor. Therefore, in that respect as well as in other directions, that Act will tend to increase the expenditure on Poor Law relief. Does the Minister intend to do something for the distressed areas beyond this Bill? Is this the final word and the last effort, or have the Government something else in mind in order to help the distressed areas? Unless they do something more the distressed areas will continue in a deplorable condition and no one can say what will be the end of them.

6.27 p.m.

Mr. CHARLES WILLIAMS: Earlier in the afternoon we had two very interesting speeches from hon. Members for the Liverpool area and, curiously enough, as so often happens in this House, we saw two hon. Members who, by their politics are very wide apart making a common and joint appeal in the best Scottish and Irish fashion to bleed the general taxpayers for the benefit of Liverpool. The hon. Member for the Scotland Division (Mr. Logan), in his eloquent speech, said one thing with which I thoroughly agreed, and that was that every town and borough want help from the Government at the present time. I realise that every town and borough want help not only in relief of their rates but in relief of taxation. Once one accepts the position that local authorities want help because of the badness of their trade, I should like to make it perfectly clear that the extra concessions that are being asked for are not in the best interests of the country. I do not say that this or that area is not distressed. Everyone knows that they are and that the needs of some areas are very much higher than others, but that is dealt with in the weighting Clause in the original Act.

If I may say so with great respect, the noble Lord the right hon. Member for Hastings (Lord E. Percy) did the House a very great service in bringing back the mind of the House to the fact that the work of the Government is so to reorganise its finances, that it has a surplus either for the relief of taxation or for some other purpose. The quarrel I have with the Bill, and I think it is the same quarrel that the noble Lord has, is that it means a small increase in taxation. If I understood the noble Lord correctly, I think he is right in supposing that every small Bill of this kind which distracts the attention of the Government and of the House of Commons from the main guiding factor is really doing a disservice to the Government. I have always regarded the Minister of Health as sound financially, and I am shocked that he should be bringing in a Bill which increases the amount which the taxpayer has to find. He might have kept it on the old basis, not increased the amount, and when I look into the figures and remember that the right hon. Gentleman sits for an English constituency I am still more shocked. The bleeding of English constituencies by Scotland has been carried to a terrible excess in this respect.

Mr. KIRKWOOD: Oh!

Mr. WILLIAMS: The hon. Member for Dumbarton Burghs (Mr. Kirkwood) may dislike my exposition of this fact, but he must remember that he gets away with the cash, and I never knew a Scotsman who objected to walking away with English money. In this Bill the actual increase for Scotland is £100,000, and for

England £350,000. The original basis for estimating the proportions of Scotland and England is, I believe, eleven-eightieths, and, although the formula which governs this Bill is slightly different, I am not aware of anything which lays it down that a Scotsman should have two additional pounds for every seven pounds which an Englishman is to get. The amount of additional money which is to go to Scotland is grossly over-estimated in this Bill. It is simply another instance of this Government, which is dominated by a Scotsman, bleeding the English authorities on every hand, and it is about time someone representing an English constituency, or a Welsh constituency if Welsh Members ever attend, protested strongly against the Government using an occasion of this kind to make a far higher grant in proportion to the people over the Border. No attempt was made by the Parliamentary Secretary in his excellent and interesting speech to prove why this excess payment should be given to Scotland.

Mr. KIRKWOOD: But surely we are not getting too much?

Mr. WILLIAMS: If the hon. Member will read the Bill he will find these words:

"shall be respectively the sum of £5,350,000 and the sum of £850,000."

If the hon. Member had listened to the excellent speech of the Parliamentary Secretary in moving the Second Reading, he would have heard that the additional money which goes to Scotland is £100,000 and to England £350,000. The conscience of the hon. Member for Dumbarton Burghs may be moved. As a matter of fact, about £44,000 or £46,000 would be the right proportion for Scotland to get. As long as this kind of thing occurs in a Government Bill, I shall see whether it is possible to get it altered. I am not going to walk into the Lobby for a half-baked thing like the Amendment, but I am not going perpetually to vote for Government Bills which propose to take more money out of England and give to Scotland more than is her proper proportion. I do not like the way in which the Government have used this occasion for over-balancing the sum. After all, the Government were returned to cut down expenditure, and I do not suppose that any hon. Member in his election address mentioned the additional guarantees which are being given, or intimated that we were going to alter the whole balance in favour of Scotland. It would not have been popular.

Mr. KIRKWOOD: Ah, but it would.

Mr. WILLIAMS: It would have been popular with the hon. Member, but I cannot always spend my time in being popular with him. It is about time that someone representing England and Wales protested against the perpetual way in which we are being bled for our very worthy and highly esteemed Northern neighbour.

Mr. LOGAN: Will the hon. Member tell us the condition of his depressed area?

Mr. WILLIAMS: I certainly should not be in order in going into that matter, but we have a considerable amount of unemployment due to the fact that for some years we have been taking men from South Wales and other places and giving them employment. But I do not put it on that basis. I recognise the difficulties of depressed areas, of places like Liverpool, but it is not right that we should be continually asked by the Government to vote for Bills of this kind. They should have kept to the old formula, which would not have given the offence which this proposal has given to many hon. Members.

6.38 p.m.

Sir ROBERT ASKE: I must associate myself with those hon. Members who have expressed a strong sense of disappointment that in this Bill no substantial extra assistance is being given to depressed areas. We have been led to believe that something of a substantial character would be done in this Bill. Last July representatives of depressed areas, Members from all parties in the House, met the Minister of Health and laid before him the position of these areas. As a result, the Minister indicated that he would institute an inquiry as to how the formula provided by the 1929 Act might be altered, particularly the weight in respect of unemployment, and we felt confident that as a result of that inquiry something of a more drastic character would have been done in this Bill, and particularly because since July the

[Sir R. Aske.]

position of depressed areas has grown immeasurably worse. It was bad enough then when every one in a depressed area was being faced with an enormously increased expenditure, but since then the increase has been far beyond what anyone anticipated at the time when the Minister gave his promise. In Newcastle alone we are faced with an increased expenditure of over £70,000 in one year. That expenditure has somehow to be found, and the way it has been found, to a great extent, is by increases in the rates of the poorest of the people, thousands of whom are actually unemployed.

When one realises the fact that this increase of expenditure is largely due to the shifting of a burden which should have fallen on the shoulders of the Exchequer on to the depressed local authorities, one feels a sense of injustice at the present situation. This increased expenditure is due almost entirely to public assistance. Large numbers of people have gone off the receipt of standard benefit or transitional payment, either because they are no longer normally engaged in an insurable occupation, within the decision of the Umpires, or they have failed to qualify by holding the requisite number of stamps. Therefore, these depressed areas have to maintain an ever-increasing number of able-bodied unemployed and their dependants. That burden should fall on the shoulders of the State. Another direction in which expenditure has been increased is by the attitude of the Treasury, combined with the Minister of Health, in cutting down expenditure on local works. In these depressed times this has always been a source of great advantage, because it has enabled a large number of our people to be given some employment. This has been cut down, with the result that the Exchequer has saved money in this way, but it has simply fallen back on to the shoulders of the depressed areas.

It comes to this. The more depressed an area, because of the greater unemployment, the greater the burden on that locality. Areas which are least able to bear the burdens are having to bear the heaviest burdens. That is entirely illogical; and I want to put it to the Minister that the existing policy should be reversed. Depressed areas have a right to the utmost consideration from the Government. If the Minister of Health had seen his way to alter the weighting formula it would have been of great advantage to us. I should like to ask him whether he has given up all thought of altering the unemployment formula under the 1929 Act, and also whether we are to take it that he sees no hope for our local authorities, who will have to go on bearing the ever-increasing burden which is resting upon us at the present time? I must confess that I had hoped that the Government would have seen their way to adopt a bolder policy in this matter. The depressed areas throughout the country, so far as I can ascertain, feel that the attitude of the Government towards them is entirely unsympathetic. I hope that that is not the case. I trust that the Minister will try to give us some fresh hope when he comes to make his reply.

Mr. KIRKWOOD: I would not have entered this Debate at this moment had it not been for the hon. Member for Torquay (Mr. C. Williams) It is not usual for him to make personal attacks. He was not just personal this time, but he attacked Scotland, and it ill becomes him to attack Scotland in this fashion. The only explanation that I can give for it—I can scarcely credit that he would be so mean—is that Scotland, when things were going well with trade, sent hundreds of Scottish folk to Torquay for their holidays, but that now, because trade is bad in Scotland, the Scots people are no longer able to go to Torquay and to spend their hard-earned cash there. These are the thanks that we get to-day. I do not say that it is the attitude of the usual Englishman. It is the attitude of an Englishman who has run riot and does not know what is wrong with him; who is trying to find some way out of the difficulty and trying to show that Scotland is getting more than her share. On this occasion Scotland is getting just what is her usual share. There is a formula in all these things that Scotland is to get 11/80ths of any sum, and that is what we are getting now.

The hon. Member for Torquay and the Noble Lord the Member for Hastings (Lord E. Percy) represent two watering places that may be all right as health resorts, but for producing wealth and for producing men and women they are not to be compared with Scotland. Unemployment and the misfortune which have resulted from the conditions which prevail to-day, are hitting the industrial centres. They are conditions over which we have absolutely no control. It is not our fault that men are unemployed. It is not our fault that my country is a distressful country at the moment—more distressful than the South of England. Glasgow and the West of Scotland are more distressful than Hastings or Torquay. That is not the fault of the inhabitants of Western Scotland. We have rendered yeoman service not only to the Empire but to civilisation in general.

I speak particularly for the West of Scotland and for my own industry of shipbuilding and engineering. During the War we surrendered every privilege we had. We gave up all trade rights even against my advice, because I held at that time that those trade rights were ours to defend, not ours to surrender, But it was done, and the whole of the shipbuilding and engineering trade was transferred from peace work to war work. All our heavy industries to-day are shattered. Then when we come to consider what is to be done for them we get speeches like that of the hon. Member for Torquay. These are the thanks that the working-class constituencies get from aristocratic constituencies. It is not what the right hon. Member for Carnarvon Boroughs (Mr. Lloyd George) promised, and I am saying that in his presence. It is not what the right hon. Gentleman promised when he came to the Clyde, when he asked me to use my influence with these men, which I did at his behest because he said, "When the War is over you can take it from me, Kirkwood, that conditions will never be the same as they were before. We are going to make this a land fit for heroes to live in." There is the right hon. Gentleman and here is the land. What is it? A land in which only heroes can live. Now we are being twitted by individuals who are high and dry, who represent those who are not being hard hit.

Surely the Government Bill will yet reconsider the attitude of mind they have adopted, and not demand that all this poverty be borne locally when it should be borne nationally. As I said on the housing question, the Government are making the poor carry the poor. They are making the industrial centres that are heavily hit at the moment bear the burden locally instead of distributing that burden over the whole of the country. Take my own centres of Clydebank and Dumbarton. There you have an essentially working-class constituency. That is where the wealth is produced and everything is all right when they are all working, To-day over 60 per cent. are unemployed. They are right up against it. No finer type of men and women can be found in the world, and they are in poverty. They do not know what another day will bring forth. They gave of their best when they were working, when it was demanded of them; they made this great Empire possible, they played their part, and now they are unemployed. Dumbarton and Clydebank have to maintain the unemployed of Dumbarton and Clydebank, whereas just outside my constituency there are two middle-class townships, which are better off and which escape from the rates imposed on Clydebank and Dumbarton.

That sort of thing is going on all over the country, and it is most unfair. It is not statesmanship to act in such a way. It would be statesmanlike to take a broad view and to make this distress a national charge. The load has become so burdensome that local authorities are becoming bankrupt. Then along come the Government with this Bill to ease the situation, but the ease they give is so infinitesimal that it is a disgrace. Other generations will laugh at this great country and this powerful Government, this all-powerful Government. There never was a Government, not even that of the right hon. Member for Carnarvon Boroughs when he had the mob behind him during the War, which has had the same power. If the Government were in earnest, if their courage was as great as their capacity, all would be better than well. But the present Cabinet have not the courage to face the situation like men. They are always hoping for something to turn up, something round the corner. They say better days are in store. Spring is with us, and

"the voice of the turtle is heard in our land."

Mr. C. WILLIAMS: What is that?

Mr. KIRKWOOD: If the hon. Member would read his Bible he would know

[Mr. Kirkwood.]

what the turtle is. It is not for me to expatiate on it. The hon. Member is supposed to be a learned Englishman according to the lecture that he gave the House a few minutes ago. Has he never heard of the turtle dove? [*Laughter.*] He that laughs last laughs longest. The people of the country are watching what the Government are doing to-day. If the Government think that they can continue in the willy-nilly fashion that they have adopted this year, they are mistaken. There never was such a "dud" House in all my experience—"dud," and nothing doing. This House is dull. Nobody makes an effort to get this country out of the Slough of Despond in which it is at this moment. In the midst of all that is going on, the Minister of Health comes with his Housing Bill, this little two-penny-halfpenny Bill. It is a standing disgrace to a man who claims, as the Minister of Health can do, that he has not only a national, but an international reputation as a financier. Why cannot we get the benefit of his services? I want to ask, in all sincerity, where is all the ingenuity of this Cabinet? Tell me what they have done to justify their existence? What has this Cabinet, including the right hon. Member for Derby (Mr. J. H. Thomas) done to justify the great trust the British electorate reposed in them when they sent them to this House? Was it to bring in a Bill such as this? Certainly not. They should be ashamed of themselves. It is all right for Members who are well-fed and well-clad, but it is quite a different thing when one goes to one's constituency. There is no smiling when you see men up against it just now—men who are starving. Poverty rampant in Britain!

Fear has got hold of the entire working class to-day in a manner such as never existed before. The Government think they can go on "kidding," doing nothing, and that folk will just allow them to meander. The Prime Minister said that to meander was a nicer phrase, and more classic language, than to say "pegging away." If they think they are going to keep the even tenour of their way in this fashion, they never made a bigger mistake. Not only in Scotland, not only in industrial areas, but all over the country, not only simple, ordinary members of the working classes, but the thinking section of the community are to-day getting heartily sick of the Government, and the manner in which they are handling this poverty problem. It is a problem which is engulfing millions of our people. I hope that when the Under-Secretary of State for Scotland makes his reply, he will be able to tell us that, so far as the Scottish Office is concerned —and this has never yet happened with regard to the Scottish Office—both he and his chief are going to keep harassing the Cabinet and that dead, cold individual called the Chancellor of the Exchequer, until they agree to give Scotland far more in the immediate future than they have conceded to us in the past.

7.5 p.m.

Mr. NEIL MACLEAN: Now that the hon. Member for Dumbarton Burghs (Mr. Kirkwood) has broken the ice on behalf of Scotland, it may be as well to have the Scottish part of this Debate grouped, rather than have speeches at intervals. I want to ask one or two questions of the Under-Secretary of State for Scotland. I thought Scotland was not to have any share in this Debate because there was no reference to Scotland, nor was there any appearance of a Scottish Minister on the Front Bench. Will the Under-Secretary tell the House exactly how much extra Scotland is going to receive in the next period of four years? I would like to ask him, further, whether there is any possibility, in the event of matters becoming worse in Scotland than they are at present—and they are bad enough —of Scotland receiving, in order to meet that worsened period, a higher contribution than that stated in the Bill—whether there is a possibility of the Secretary of State for Scotland, and his lieutenant, introducing a Bill to endeavour to obtain for us a higher contribution than we get in the Bill now before the House?

Another point to which I would like the Under-Secretary to reply is, how does he intend to allocate the sum mentioned in this Bill? It is mentioned here as a lump sum. I take it that he is going to allocate it to the various districts in Scotland. I know, of course, that it may be somewhat difficult at present for the Under-Secretary to give us definite details for all areas, since we have a different financial period from that obtaining in England. He might, however, give us an approximate idea of how the distribution of this grant is going to effect the areas in Glasgow to which it has got to be given. I want to point out, for his consideration, when he is going over the areas in Scotland and finding out how much he is likely to allocate, that there are various districts in Scotland which are harder hit than other districts. There are districts of Scotland which might be looked upon in the same manner and from the same point of view, as the Member for Dumbarton Burghs looked upon Hastings and Torquay. There are industrial areas, and there are districts that have not felt the industrial blizzard which has struck this country and brought into being so many distressed areas in England, Wales and Scotland. I would like to know how the Under-Secretary intends to dispose of this sum when allocating it to the distressed areas in particular.

The hon. Member for Dumbarton Burghs mentioned the areas of the Clyde — Dumbarton, Glasgow, Renfrew, Greenock, Port Glasgow, and the Lanarkshire mining and steel areas. It stands on record, in spite of the laughter which sometimes is raised in this House when the Clyde is mentioned, that the reputation of the Clyde for work is second to none throughout the world. The ships which have been launched on the Clyde, and which have been designated " Clyde-built " have been held to be standards of efficiency on every sea throughout the world. A " Clyde-built " ship is considered to be synonymous with A.1 at Lloyds. A " Clyde-built " ship is looked upon as the highest standard of shipbuilding. From the first shipbuilding yard at Glasgow, right down to the lowest in Greenock, every shipbuilding yard has been struck by the depression in trade. The shipbuilding workers, of all trades, have a higher percentage of unemployment in the Clyde area than in any other part of the country. That unemployment has been going on for several years now, and even with the slight orders that have been coming their way during the past few months the diminution in the numbers of unemployed has not amounted to very much. Towns like Glasgow, Dumbarton, Clydebank, Greenock and Port Glasgow are affected severely by unemployment because, owing to the methods adopted by transitional committees and Ministry of Labour officials in putting people on to the local authorities for public assistance, practically the bulk of the unemployment in the Clyde area is being borne by the local authorities. The grant mentioned in the Bill is insufficient to meet the needs of the people in the adequate manner they should be met.

Even the allocation to those distressed areas that may be made by the Secretary of State for Scotland and the Under-Secretary, although they may be more generous to depressed areas than other areas, will not be sufficient to meet the needs, and higher rating will be required by the local authorities to give to the unemployed, who are not receiving unemployment pay or transitional benefits, assistance through the public assistance committee. If this Government in its Derating Act intended that local authorities should be relieved, out of grants and by various taxes as compensation for the loss of rates due to that Act, then, surely, these authorities have a right to expect from the Government a sufficient amount to be given by means of the present Bill to compensate them for the loss they have already suffered through the Derating Act. Surely it is not too much to ask that this Government which passed the Derating Act, and can bring in any Measure it chooses and pass it through by the majority behind it, should render justice to those authorities which have been suffering loss in their revenue due to the large measure of unemployment.

It is not merely the shipyards which have not been rated. In every shipbuilding area throughout Lanarkshire, and in every one of the industrial towns, we see streets which were once thronged with people to do business in the shops. Now because there is no trade for them—because the workers and their wives have not the necessary money to buy the goods these shops formerly exposed for sale—the shops are closed, and there are no rates. There are no rates being taken from them or from the workshops, now closed, which housed trades ancillary to shipbuilding. I suggest to Members that the Bill, so far as Scotland is concerned, is not going to meet the situation. The amount mentioned in the Bill will certainly not meet the situation in Scotland. It is perhaps too much to ask the Under-Secretary for Scotland for a definite statement of the exact amount, but I want to know, and I am certain the people of Scotland want to know how

[Mr. Maclean.]

we are to meet the poverty existing in our country, particularly in the industrial areas, with the small sum mentioned in this Bill.

I know that there is a formula—the Goschen formula. Some Members laughed when the hon. Member for Dumbarton Burghs spoke of the formula and the amount which Scotland is supposed to get out of Government grants in relation to the amounts received by England and Wales. It is an old formula which ought to be known to every Member of Parliament, and the fact that mention of it was received with laughter shows that some Members have yet something to learn about the workshop into which they have entered to perform the duty of law-making for the country. Even though the formula be 11/80ths, even though it be, according to one part of this Bill, 11/90ths, it is not going to help if it is insufficient to provide starving people with food. These formulas ought to be dropped. These grants ought to be allocated having regard to the necessities of the areas concerned. Instead of saying to the different districts, "This is your share and that is your share," we ought to find out the amount of poverty existing in an area and give that area the proportion which is considered most likely to meet its situation and satisfy the needs of the starving people in that area.

That, to my mind, would be a statesmanlike approach to this question, rather than this distributive method of so much to one part of the country and so much to another based upon a formula made many years ago. I hope we shall have some explanation of the way in which it is proposed to deal with these matters in Scotland and, if we consider that the explanation of the Under-Secretary does not meet the situation, as we think it ought to be met, I hope we shall have opportunities in Committee of endeavouring to bring these matters a little more into line with what we consider ought to be done in Scotland under this Bill.

7.19 p.m.

The UNDER-SECRETARY of STATE for SCOTLAND (Mr. Skelton): My colleagues from Scotland will, I am sure, acquit me of any disrespect to our native country in not intervening earlier in this Debate but I was anxious to hear the speeches of the Scottish Members before I rose in order that I should be able to make as comprehensive reply as possible to the questions raised. My hon. Friend the Member for Govan (Mr. Maclean) suggested that I had not been in the House during the whole of this Debate but as a matter of fact I was here during the whole of his speech as well as during the speech of the hon. Member for Dumbarton Burghs (Mr. Kirkwood). The speech of the hon. Member for Dumbarton has fortunately made it unnecessary for me to engage into an international feud with my hon. Friend the Member for Torquay (Mr. C. Williams). I do not think I ever remember having heard a Scotsman in this House stand up for himself and his country to better purpose than the hon. Member for Dumbarton and I leave my hon. Friend the Member for Torquay entirely to his tender mercies.

I proceed to deal with the questions very clearly and very rightly put by the hon. Member for Govan. First, with regard to the extra sum of money which is to be found for Scotland, that is £100,000, and that depends upon the amount which local government cost in Scotland during the year 1930-31. The hon. Member for Torquay drew attention to the fact that Scotland is taking proportionately a larger increase than England. That, of course, in turn depends upon the increased charges, broadly speaking, of local administration in Scotland in the past year and those charges are to a considerble extent due to the unemployment prevalent in Scotland. Let me take the opportunity of recalling the fact to which many Scottish Members in various contexts and in various Debates have drawn attention, namely, that our industries in Scotland are largely the heavy industries, such as coal, steel and shipbuilding. Those industries during the depression from 1921 onwards, have suffered most and suffered longest and are consequently the industries in connection with which the burden of the support of the unemployed is more and more falling on the local authorities. That is one of the main causes of the relatively greater increase of Scottish local administration compared with that of England in the relevant year and that is the broad reason why the money to be found for the second period is proportionately greater in Scotland than in England.

Mr. C. WILLIAMS: Is that an excuse for making the proportion as much as 2/7ths or 2/9ths?

Mr. SKELTON: It is not a question of excuse or want of excuse, but a question of following out the provisions of the 1929 Act which laid down the methods by which these grants are to be fixed in each succeeding period.

Mr. WILLIAMS: Is this an exact figure?

Mr. SKELTON: Within £500. So much for the new money. The hon. Member for Govan asked me how, as between various local authorities, the grants would be allocated in a new period. I am sorry that I am not yet in a position to do so. The figures have not been worked out and I should be loth to give anything like experimental figures to the House on this topic. But I can give the hon. Member and the House this assurance, that before the first period of payment for local authorities come, and before the date when local authorities examine their financial situation and make up their budgets for the forthcoming year—generally speaking, in Scotland, about the month of July—they will have exact figures, or figures as exact as possible, of the grant which they will receive. I, myself, would like the House to be in early possession of those figures, and I will take the opportunity of telling the hon. Member for Govan, or some other hon. Member interested in the matter, the earliest possible moment at which a question addressed to us would elicit the definite reply for which he seeks.

Mr. MACLEAN: While we are on this point may I ask the hon. Gentleman about the depressed areas which are being heavily hit? Is there any method by which they can receive more generous treatment during the next period than they have received during the period which has just elapsed?

Mr. SKELTON: I am obliged to the hon. Member for recalling that point to my mind. The answer to the question as he puts it is "no." The grant is distributed in accordance with the formula with which we are all familiar and which was the subject of so much discussion in 1929. But I think I may safely say, without raising false hopes or giving false impressions, that, because one of the factors in the formula is unemployment and because unemployment has seriously increased in the shipbuilding and coal industries in many parts, since 1929 or 1930, the hon. Member and the House would be safe in saying that the seriously depressed districts will get to some extent an allocation which will deal with the problem in which they are vitally concerned. I cannot say more because there are other factors which may be at work in rural districts and which may to some extent counteract that.

Mr. MACLEAN: With regard to those large tracts of Scotland which the hon. Gentleman and I know, which are devoted to deer forests and the like, can we be assured that they shall not take away a larger proportion of the grant than is absolutely necessary for them having regard to the population which they have?

Mr. SKELTON: I follow what the hon. Member has in mind but I can only reiterate that the actual allocation depends on the working of the formula. I cannot say more than that, except that the fact that one of the vital factors in the formula is the amount of unemployment gives, I think, reasonable hope that those heavily-hit areas will in the new allocation have their misfortunes represented in a larger proportion of the grant.

Mr. WALLHEAD: Does that apply to England and Wales as well?

Mr. SKELTON: The hon. Member must put that question to my right hon. Friend the Minister. I am not going to be led into matters which are sacrosanct to him. The hon. Member for Govan seemed to be under the impression that in the allocation of Exchequer grants for the purposes of both England and Scotland the Goschen figure was taken.

Mr. MACLEAN: No, my point was that when the hon. Member for Dumbarton Burghs (Mr. Kirkwood) referred to the formula some hon. Members laughed. I wished to draw attention to the fact that that formula had been established long before any of us here had come to the House.

Mr. SKELTON: Then I need not pursue that subject further. I could not

[Mr. Skelton.]

imagine that the hon. Member was suggesting that the Goschen formula dominated this matter. I regret that I am not able to give an estimate of the allocation of this grant with regard to Scotland but in the absence of detailed figures there is little more that I can say. I hope hon. Members will keep in mind that I am anxious that the House should be in possession of the allocation figures as soon as possible and I shall take the necessary steps to that end.

Mr. KIRKWOOD: Before the hon. Gentleman sits down, will he reply to the speech that I made?

Mr. SKELTON: I did, at the beginning of my remarks.

Mr. KIRKWOOD: I beg pardon, but I wish to ask whether the allocation which we have now got is simply according to the eleven-eightieths formula, or whether we are getting special consideration because of the terrible conditions of the heavy industries in our country.

Mr. SKELTON: The Exchequer grant given to Scotland, the origin of which is the 1929 Act, has no connection with the Goschen formula at all. It is based upon various factors, which I will not go into further than to say that, if I remember rightly, it is made up of three things. The first is the loss of rates owing to the de-rating scheme, the second is the loss of grant owing to the abandonment in 1929 of the fifty-fifty principle, and the third factor, with which we are vitally concerned, is the new money. With none of those three elements does the Goschen formula have anything to do, except in one very small matter with regard to roads. The principle on which Exchequer contributions are brought to the assistance of local authorities is exactly the same in England and Scotland and depends on the main factors which I have described.

7.32 p.m.

Mr. CURRY: The Bill is somewhat of a disappointment to me. Like the hon. Member for East Newcastle (Sir R. Aske), I remember distinctly discussions in this House last summer with the Minister of Health with regard to the condition of the depressed areas, and we were led to believe that an inquiry would be set up with a view to ascertaining if it were not possible to give some extra weight to the factor for unemployment in this formula. If that extra weight is not given in this Bill, I do not see how we are going to get relief for the depressed areas during the second grant period. That is a very serious and important matter for the distressed areas, because the condition is even worse now than it was last summer, and it is going to get worse as the weeks go by. The cost of our poor rates is increasing from various factors, but mainly from the factor that unemployed insured men and women are being passed out of the scheme through the "not normally insured" section, with the result that you have an increasing burden of poor rates in those areas. Because we were led to hope that this relief would be given, the Bill which is now before us becomes an even greater disappointment.

In the county of Durham, from which I come, the rates have increased by 6d. in the pound, and we have had during the last three months a lowering of the average of transitional payments through the administration of the Commissioners. We have in the county of Durham this dual operation of a depression of the people's income and an increase of the burden of rates. That burden of rates is very largely recovered through the increase of rents, through adding to the rents the proportion of the increased rates. We in these districts cannot contemplate the immediate future without serious misgivings, and I would implore the Minister to give us some hope as to the method by which the distressed areas are going to be given the relief, not for which we are asking, but without which we cannot go on and lead our normal lives. We are not here pleading for the sake of pleading.

The hon. Member for Torquay (Mr. C. Williams)—I am sorry he is not in his place at the moment—talked about the injustice of Scotland getting more than England. I think, if he went into the figures in detail, he would find that the North of England is getting the same proportion, compared with the South, as Scotland is compared with England, but that is merely an indication of the increased poverty in the North of England and Scotland as compared with the South of England. I implore hon. Members representing constituencies in the

South and South Eastern parts of England to come up into these depressed areas. I could take them through my constituency, through villages that are nearly towns, wherein they would find whole populations who have been out of work, not months, but years. I could take them into what were once prosperous towns, where the shopkeepers and business men would tell them that their turn-over is going down week by week, because the out-relief and the transitional payments are being reduced on account of the situation.

I want to make a serious appeal to the Government, not to go on with this Bill as if it were an automatic piece of machinery, but to tell us quite distinctly in what way, if not through this Bill, they hope in the immediate future to give us some relief. Particularly would I like to ask whoever is going to reply to tell us what amount of block grant the county of Durham is going to get in the second grant period, and how that compares with the grant which we have received in the past. My final word is that I want to impress upon hon. Members in the more prosperous parts of England to believe that those of us who represent depressed areas, and in many cases people amongst whom we have lived our lives and for whom we have a great regard, do not wish to be regarded as appealing for them out of sentiment, but to believe that we carry before our mental vision—and I think this is true of every representative of a depressed area, to whatever party he belongs—the picture of a mass population which is going down and down in its standard of life and which has no immediate hope, other than the hope of some relief through the adjustment of the formula which was started in 1929, when no man could foresee the terrible depression through which we are now passing.

7.39 p.m.

Mr. E. WILLIAMS: I was very interested in the speech of the Noble Lord the Member for Hastings (Lord E. Percy). If I interpreted his remarks correctly, he said that we had reached a stage at which we could not possibly find any further help from the Income Tax payers for the distressed areas.

Lord E. PERCY *indicated dissent.*

Mr. WILLIAMS: Well, I want the Noble Lord to appreciate that the means of rectifying these things are at hand, and that it is easily possible to produce a greater capital accumulation, for, after all, increased taxation and increased rates throughout the whole country are attributable to unemployment. I think the speech delivered by the hon. Member for Aberavon (Mr. Cove) last week, on a private Member's Motion, conclusively proved—it certainly has not yet been answered in this House—that increased taxation is attributable to unemployment, and not as hon. Members opposite would have us believe.

We heard a very interesting speech from the hon. Member for South Croydon (Mr. H. Williams), who certainly has an old grey mare, and one appreciates that apparently it is his job to trot this old grey mare before the House every time he rises to speak. It is that all local authorities are in their present plight owing to extravagance. If he had been in the House, he would have heard an effective reply from the hon. Member for the West Derby division of Liverpool (Sir J. Sandeman Allen), one of his own colleagues, who reprimanded him pretty severely when he said that the hon. Member could not possibly have appreciated the position in Liverpool and other distressed areas, otherwise he would never have made such a statement.

I welcome the stress that has been laid in this Debate upon the importance of the Minister doing something of a very radical nature in order to help the grave situation with which we are faced in the distressed areas. South Wales is the worst. Glamorgan, for Poor Law purposes alone—and I wonder whether it is possible for hon. and right hon. Members fully to appreciate what this figure means—is faced with a rate of 8s. 1d. in the pound. For 1933-4 the estimate has increased by £43,750. That is the position in the county of Glamorgan. I shall leave a part of the geographical county to my hon. Friend the Member for Merthyr Tydvil (Mr. Wallhead), who will be able to stress the alarming position with which that portion of the geographical county is faced. I am speaking of the administrative county when I refer to the figure of 8s. 1d. In the neighbouring county we are faced with a figure of 6s. 8d. in the pound, while you have the

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figures adduced by my hon. Friend the Member for Spennymoor (Mr. Batey) indicating that the rate for Poor Law purposes in Blackpool—and, I suppose, for the constituency represented by the Noble Lord opposite, although I do not know what the exact figure is—is somewhere about ninepence, and there are many of the larger towns in the South of England where, for Poor Law purposes, the rate is not more than about 1s. in the pound.

In addition to that the determinations per head are dead set against the distressed areas. Last year we had a full-dress Debate in which Members of all parties representing distressed areas explained the position with which they were faced. Figures were placed before the House showing the amount of rates in the pound paid by most of the towns and cities of the South of England. They ranged from as low as 8d. to 1s. 11d., while Durham was 7s. 6d., Monmouthshire 6s. 8d. and Glamorganshire 8s. 1¾d. These enormous burdens are carried in areas which for more than 50 years have been mainly responsible for producing the wealth enjoyed by people who are living in the South of England and in residential areas. It is difficult for me to appreciate how any Member can possibly object to the spreading of that burden over a whole nation. I try to examine the remarks that are made from time to time by Members representing the more prosperous areas, and I am sure that, if they were representing constituencies such as my constituency in the centre of Glamorganshire, they would be very fluent in their advocacy of throwing this burden off their shoulders on to the rest of the nation.

Lord E. PERCY: If the hon. Gentleman is addressing his remarks to me, may I tell him that the whole point of my speech was that by distributing such a vast sum of money on a general grant formula you dissipate resources which you need, to give special help, for instance, to depressed areas.

Mr. WILLIAMS: I am obliged to the Noble Lord for that correction. I was not, however, addressing my remarks to him in particular, but to the observations we have had from time to time from hon. Members representing areas which are not faced with these heavy burdens. I should like to emphasise what I have said about South Wales by giving a few figures. During the 1926 stoppage in South Wales and prior to the Local Government Act of 1929, large sums of money were borrowed in order to feed the population. They are designated as coming within the category of the Goschen loans. In Glamorgan we are faced with a debt burden arising from the old Poor Law unions that were then in existence, which have now come under the purview of the Glamorgan Public Assistance Committee, of £1,701,000. It is to the credit of the Ministry that we pay no interest, but we have to repay that debt over 15 years at the rate of more than £35,000 a year. During the last fortnight my colleagues took a deputation from the Glamorgan County Council to the Minister's Department to ascertain whether it would be possible to be relieved of that burden. I know that the Minister will reply that it is conditional upon an Act of Parliament, but surely, when a county is faced with such heavy burdens, and those burdens are becoming greater each year, most hon. Members will agree that such a distressed area should be relieved, and the Minister, I think, could easily obtain powers to help Glamorgan to be relieved of that annual payment.

It is expected of Glamorgan, of course, that that amount should be repaid, but it is practically impossible to contemplate that the people who borrowed the money can ever hope to repay it. From £15,000 to £16,000 was collected last year. Collectors are engaged and sometimes money is deducted from the colliery office and handed to the collectors, but the amount is so infinitesimal that the county cannot hope to repay from collections alone the enormous amount that was borrowed It is certainly unfair to the county itself in that the very badly distressed areas within the county owe more than £250,000 of that substantial figure, while other parts of the county where distress was less have managed to pay the whole of the Goschen loans that they had borrowed. In 1929, when the administration of Poor Law relief was placed upon the county council, a portion of Merthyr Tydvil came within the administrative area of the county, and the other portions of the county that had actually paid the Goschen loans are again faced with the problem of having to pay part of the loan of Merthyr Tydvil and such like towns which they were owing prior to their absorption. The county of Glamorgan is doing what we should like the whole nation to do. It is carrying on its back the heavily distressed areas such as Merthyr Tydvil which were obliged to borrow prior to 1929 owing to the very adverse economic conditions with which they were faced.

The Ministry in this regard is as mean as it can possibly be. Why it should do what it has done, that is, merely carry out the minimum in accordance with the Statute, realising, as it must, the terrible plight of the distressed areas, passes my comprehension. It was impossible for this House to have fully appreciated prior to 1929 the terrible economic consequences of international and national depression that have expressed themselves so virulently in South Wales. Surely the time has come when the formula should be revised. I have a document that has been sent to my colleagues and myself by the clerk of Glamorgan County Council. He says that the produce of a penny rate in Glamorgan is now £10,000. Prior to 1929 it was £15,000. The estimated public assistance gross expenditure for the year ended 31st March, 1932, was £1,020,790, and for the year ended 31st March, 1933, £1,053,145, or a rate of 8s. 8d., against 8s. 5d. For 1933-34, the estimate is £43,730 above the current year for out-relief only, and in the absence of easement this means a further increased rate of 4½d. for the current year. We have an increased estimated education rate of 3d., and an increased public health rate of 1d. Consequently, we are faced with an increased rate of 8½d. The average public assistance rate for Wales is 4s. 8d. Glamorgan has the highest county public assistance rate in England and Wales at 8s. 1d.

The clerk to the county council states that the incidence of destitution in Monmouthshire and Glamorganshire is the same, whether helped through unemployment insurance benefit or public assistance. He adds:

> "Glamorgan's position is a reflection of the greater weight of destitution to be borne—due to failure of formula to take into account the effects of economic collapse, coupled with the disproportionate effect of de-rating on these collapsed revenue-producing sources. The formula visualises a universally proportionately equal effect from the same causes. But the effect of the economic collapse in Glamorgan, which operated before 1929, but which did not come into rateable calculation until after that date, had required a loosening of the bonds of administration of public assistance as far back as 1922. There is a difference in kind created. It is impossible to treat with derelict and bankrupt areas as with areas which have even small resources. A vicious circle of destitution, needing higher relief costs, which enforces higher rates, which in turn raises the destitution level, has been going on since 1922."

One could elaborate that at length. I quote it because it is from the chief administrator of the county, and it certainly should have much weight with the Minister and with the House. We have received a letter from the insurance committee for the county of Glamorgan, which has passed the following resolution:

> "That this committee view with great concern the effect of the National Health Insurance Act, 1932, upon the provision of medical and sickness benefit to unemployed insured persons and implore the Government to make provision whereby health insured and pension rights will not be forfeited owing to inability to continue contributions through unemployment."

No doubt hon. Members have seen in the Press to-day that the chairman of the Approved Societies has made a computation which shows that this year more than 80,000 persons will be affected by last year's Act. It can be appreciated how that will hit us in Glamorgan, for we have 174,000 persons totally idle; 58 per cent. of that number are on transitional payments. Those figures apply only to the county and not to the boroughs. Hon. Members will appreciate what that resolution means in those circumstances.

Really the House cannot be quiescent about this matter, but must realise its grave responsibilities. It cannot be said that the South Wales coal trade has been affected by anything done in the South Wales area. In the policies which have been advocated in this House, whether tariffs, the question of the Gold Standard, or the currency question, all that has been said has had a bearing on the coal trade, and particularly on the export coal trade, and in South Wales practically 60 per cent. of the coal produced is, normally, exported. Collieries have been going into liquidation at an ever-increasing rate year by year. A colleague has told us of the large number of colliery concerns rendered idle in his

[Mr. Williams.]

constituency, and it is precisely the same in my constituency. Is it not possible for the Minister instead of fixing this grant period at four years, to arrange to analyse the question annually? Then it would come before the House each year, and we could explain the position in our particular areas. The whole of South Wales is speedily becoming derelict. Shutters are on the business premises, more than half the grocers' shops in our valleys are closed, and, being closed, are paying no rates. With the collieries which are going into liquidation and those on short time, the coal output is becoming almost infinitesimal. With so little employment, with the unemployed getting only 15s. 3d. and with the application of the means test, we are faced with almost absolute penury in our mining valleys. I appeal to the Minister and the supporters of the Government to give heed to the position with which the distressed areas are confronted. The time has come for us to put aside academics and rhetoric and realise that we are fighting for our lives in an existence which is becoming almost intolerable.

8.4 p.m.

Mr. McKEAG: I want to add mine to those voices from all parts of the House which have supported the demand that additional assistance should be given to the depressed areas, and that the growing and intolerable burden of rates caused by unemployment should become more of a national charge rather than be left to be borne by the hard-pressed areas. The Parliamentary Secretary, in introducing this Bill, spoke of it in almost eulogistic terms. He explained the marvellous generosity of the Government in increasing the grants to the extent of £350,000. I find it difficult to understand his conception of generosity. To what extent will this additional sum relieve the distresesd areas? The hon. Member for Dumbarton Burghs (Mr. Kirkwood) referred to this Bill as a twopenny-halfpenny effort, and with that view I find myself in hearty accord. This Bill is a very poor response to the representations made by Members representing the depressed areas over a period of 18 months. Last year we were promised by the right hon. Gentleman the Minister of Health that some assistance would be given by means of some alteration in the system of calculating block grants.

Sir H. YOUNG: May I ask the hon. Member to refer me to the words of the promise of which he is speaking?

Mr. McKEAG: In any case it is quite clear that the assistance which is being given is entirely insufficient for hard-pressed areas such as Durham County, and we are entitled to ask when the State will really come—and when I say "really" I mean in the true sense—to the rescue of these hard-pressed industrial areas. Durham County, like other industrial districts, has borne the stress and storm of trade depression in its most acute form for many years. Industries are crippled by high rates and poverty is rampant. Some time ago the Minister of Health chose to characterise as an exaggeration the picture which I was then endeavouring to paint of the terrible plight of Durham County. I wonder whether he still thinks it was an exaggeration? Our Debates on the means test and on unemployment should have removed any lingering doubt which may have been in his mind as to the difficulties of those areas. So much has been said during recent weeks about their hardships and difficulties that it is unnecessary for me to take up time by recalling them. The right hon. Gentleman cannot any longer plead ignorance of their plight.

What are the Government doing to assist? Only a few days ago I called the attention of the right hon. Gentleman, by means of a question, to the fact that the charge on the rates for public assistance in Durham County was estimated to amount to no less than £1,312,815 for 1933, an increase of £100,000 in the last 12 months and £400,000 in the last three years. After pointing this out to him I asked what steps it was proposed to take to relieve this burden falling on the local ratepayers. I was politely referred to an answer which had been given to the hon. Member for Carnarvonshire (Major Owen) on the 28th February. I looked up that question and answer and found that the hon. Member for Carnarvonshire had asked the right hon. Gentleman if he would state what proposals the Government had in contemplation for relieving the increasing burden imposed upon local authorities due to additional demands for public assistance. The answer which was vouchsafed to him was that nothing could be added to the statement made by the right hon. Gentleman in the course of the Debate on the Financial Resolution introduced for the purposes of the Local Government (General Exchequer Contribution) Bill. The hon. Member for Carnarvonshire persisted in his point, however, and drew attention to the rate increases in his district, and he was then informed by the Parliamentary Secretary that these increases were being considered by the Government in connection with the whole survey of the question. What indication is there in this Bill that the Government intend to come to the aid of these districts in any real sense? Are we to go back to our people and say that there is no hope of the Government doing anything? Perhaps we may have a real answer to that question to-night. In any case I hope the Government will not fob us off once more as we have been fobbed off time and time again in the past.

8.12 p.m.

Mr. GREENWOOD: The Minister of Health is again, unfortunately for him, on the rack. He travels down the valley of desolation day by day. I do not remember since the War a Minister who has had a more unfortunate experience. So far as I can recollect, up to now he has as Minister of Health contributed nothing to the welfare of his countrymen. In his Health Insurance Bill he deprived them of things, in his Housing Bill he has butchered the housing programmes of the country, and in this Bill there is nothing whatever to his credit. We have had from him and from the Parliamentary Secretary promises. The truth is that the authentic voice of the majority of this House is that of the hon. Member for South Croydon (Mr. H. Williams). He believes in private enterprise. He honestly thinks, in spite of the undoubted influence he has had on this Government, that there is no impulse to economy from the Government. He talked of the social services as trimmings, and when challenged as to what the trimmings were he rode off from the point, but there, behind the Treasury Bench, are the forces which believe that economy is the only way to save the country.

Mr. PIKE: In the absence of the hon. Member for South Croydon (Mr. H. Williams) I think it is fair to say that he did not ride off when challenged on the question of trimmings. I am in the recollection of the House. He said that many economies in the administration of local affairs could be effected.

Mr. GREENWOOD: It is not within my recollection or that of my hon. Friends. When challenged for particulars he failed to give them. The right hon. Gentleman, having been driven into the position of practising economy, partly by election policies and partly by pressure from his back benchers, waves the olive branch of promises. He has been making promises ever since he took office. Yesterday he was making promises about the slums. The Parliamentary Secretary today wound up his speech by promises about the depressed areas. He told us that what he was saying was without prejudice to what the Government might do about depressed areas. Jam yesterday, jam to-morrow, never jam to-day. We are told that certain things cannot be considered until the Government have finished their deliberations on the Report of the Royal Commission on Unemployment Insurance. A great promise, there, that something may ultimately eventuate. I consider that the Minister is in a more unfortunate position to-day than he has been in before. As the Parliamentary Secretary said, this Bill is routine machinery. The hon. Gentleman who preceded me, corroborating what was said by my hon. Friend the Member for Dumbarton Burghs (Mr. Kirkwood), said that this is a twopenny-halfpenny Bill. It is not even a twopenny-halfpenny Bill. What it will add to the resources of local authorities will certainly not work out at anything like 2½d. per head of the ratepayers in England and Wales, without including Scotland.

The first argument which was used by the Parliamentary Secretary in opening the Debate was that it was very difficult, in these straitened financial circumstances, to defend an increase in expenditure. Let it be clear that the Government in this Bill are not adding anything that they could have avoided adding. In a sense it is true that the Bill is routine machinery. No credit is due to the Government from the fact that it is to increase the grant to local autho-

[Mr. Greenwood.]

rities by £350,000 per year. That was not settled by the Government. The Parliamentary Secretary speaks as though there were some credit due to the Government in carrying out the law. The Government said: "We could not give less than this." Of course, they could not; the law does not permit them to do so. They have done just what the law requires. They have carried out the letter of the law; the pound of flesh exactly, neither more nor less. The fact that they have not given any less is because they could not do it. They have given just what they were bound to give under existing legislation.

Mr. PIKE: They could have run away.

Mr. GREENWOOD: One of the chief characteristics of hon. Members opposite is their irrelevancy. The £350,000 is almost exactly what the formula invented by the right hon. Gentleman the present Chancellor of the Exchequer required. The Parliamentary Secretary says that it is difficult in these times to increase that minimum amount. It has been said from these benches to-day that it has been found possible to increase the expenditure on the Fighting Services for the coming financial year, but the vital social services are to have the minimum which the law demands. The Parliamentary Secretary bolsters up his case by saying that the arrangement in 1929 was generous. That was his word. The £5,000,000 per year as an addition, in order to meet the expanding social services, was generous. Let me remind him that the party to which he then belonged did not agree with him. It is within the recollection of many hon. Members that the party to which I belong, and the Liberal party, profoundly disagreed with the view that £5,000,000 was adequate.

Mr. CAMPBELL: That is what landed us in the cart.

Mr. GREENWOOD: What an Empire, that can be landed in the cart because of £5,000,000. I will give way to the hon. Member if he wishes to intervene.

Mr. CAMPBELL: I meant to stand up. There were many other extravagances which caused the debacle of a year ago.

HON. MEMBERS: Rub it in.

Mr. LANSBURY: Rubbish.

Mr. GREENWOOD: It was usual to believe, up to August, 1931, that the increasing economic difficulties of the world were due to the Labour Government, but I thought that the hon. Member for Bromley (Mr. Campbell) was now a loyal Member of the National Government, and that since August, 1931, those difficulties have been due to a world crisis. I am so sorry that he is now being disloyal to the speeches that have been made from his own Front Bench. Let me return to the £5,000,000 that is supposed to have broken the Empire. That was generous. We said then that it was not. The Parliamentary Secretary says that the £350,000 at issue is generous, because of the plight in which we are placed. As I have said, the Government would not have given this money if they could have helped it. They have given it because the law says that they must. How generous is it? This point, to which I got no reply when the Money Resolution was in Committee, is one of tremendous importance. Year by year the social services have expanded. When the Local Government Act of 1929 was introduced, it was contemplated that this £5,000,000 would be reconsidered every five years, but hon. Members who now sit on that side of the House were very uncomfortable about that new expenditure, and the present Chancellor of the Exchequer, who was then Minister of Health, said: "We will have a trial trip of three years, then we will have one of four years, and then we will come to the quinquennial basis." The formula on which the increase of grant is to be based was set out on the assumption that the fixed-grant period was for five years. During the first fixed-grant period of three years, the first and the last years on which the present addition to the £5,000,000 was based, were consecutive years. The first year was 1930-1931, when the rate and grant-borne expenditure was £188,000,000. The second year, the last year but one ending the fixed-grant period, was the immediately-following year, when the rate and grant-borne expenditure was £189,500,000. Suppose there had been a five-year period and that we are at the end of the five years; that £189,500,000 would be several millions more, because of the normal growth of the social services.

I say now what I said in 1929, that the three-year period is a swindle on local authorities, and, as regards the next four years, since the calculation is based upon two consecutive years instead of there being a period of three years between them, the increase in the rate and grant-borne expenditure will be much smaller. Therefore, the £350,000, instead of being generous, is far less than it ought to be. I hope that we shall have some reply to the argument—this is the second time I have put it during these discussions—that the £350,000 is inadequate because the whole principle of the Bill has not yet been brought into play. For the first three experimental years we did not have an opportunity of getting that development over the three-year period between the first and the fourth year of the quinquennial period of the social services.

The Parliamentary Secretary spoke about the unemployment factor, and we have had one or two speeches about the famous formula. I strongly suspect that neither the Parliamentary Secretary nor the Under-Secretary of State for Scotland understands the formula, but they have made play with the fact that the unemployment factor will operate in a way to assist some of the most distressed areas. The Parliamentary Secretary said that, of this increase of £350,000 per year for the next four years, £145,000, or nearly one-half, will go to three counties and 20 county boroughs where unemployment is most severe. I did not raise the question of the unemployment factor, but I should like some kind of reply as regards the unemployment situation as it now exists.

I will quote some figures. I dislike quoting figures in the House, but these are figures which ought to be burnt into the minds of hon. Gentlemen opposite. Take the town of Barnsley. Between the end of September, 1931, when the National Government had been in office about a month, and the end of last year, in the county borough of Barnsley the number of people in receipt of Poor Law relief had more than doubled. In the city of Lincoln—an entirely different town—at the end of the same 15 months the number of people on poor relief was two and a-half times higher than it was at the beginning of that period. In the town of Lincoln one-seventh of the whole population was on poor relief. In the city of Liverpool, one-tenth of the population was on poor relief; in the 15 months from September, 1931, to the end of last year, there was an increase of 50 per cent. in the number of people on poor relief, sustained entirely out of local funds. Manchester showed an increase of 50 per cent.; in the city of Norwich the figure was nearly double, and in the city of Sheffield more than double. One-ninth of the population of one of the greatest cities in the country were on poor relief. In Cardiff, the increase in 15 months in the number of people on poor relief was two and a-half times, and, again, one in 10 of the population was on poor relief.

These towns have heavy unemployment. In Barnsley, one out of every three insured persons is out of work. In Birkenhead, nearly half the insured population are out of work. In Sheffield, one-third of the insured population are unemployed, and in Cardiff the figure is the same, while in Merthyr Tydvil two-thirds of the insured population are out of work. This sum of £350,000 per year more is regarded as generous, but it does not nearly meet the additional burden cast upon local authorities by the policy of the right hon. Gentleman. In the county of Durham, during the last 12 months, there has been an increase of £100,000 in the expenditure on poor relief. That swallows up nearly a third of the £350,000. In the West Riding of Yorkshire, the county council has had to submit revised estimates amounting to nearly £100,000 for poor relief—another third gone out of the £350,000. In the case of Liverpool, which was quoted by my hon. Friend, the estimates for public assistance during the coming year, when this new formula will begin to operate and when this enormous sum of £350,000 is to be distributed, is over £1,500,000—an increase during the coming year of 1s. 4d. in the pound. The amount which Liverpool estimates it will need in the coming year is nearly £393,000 more, and yet £350,000 is to be provided for the whole of Great Britain. I could continue quoting town after town.

If these sums are added together, the new burden falling on local authorities because of economic circumstances and because of the niggardly policy of the Government outstrips by hundreds of thousands of pounds the amount that is now going to the local authorities to

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assist them out of their difficulty. The London County Council—which is not a county council whose opinions I share—has made its budget for the next financial year. Two-thirds of all the money that it raises will go to public assistance, and not one penny of that comes from the Government. I claim that, because of the situation, because of the difficulties of local authorities, which are more hard-pressed even than the Imperial Exchequer in this matter, the giving of the bare minimum allowed by the Act of 1929 is utterly inadequate.

I turn to a further point. The Parliamentary Secretary referred to de-rating, and he chaffed me by saying that I had ample opportunity to alter it. I reminded him that he has a bigger majority behind him than I had. I might have reminded him that I had a good many other things to do as well. It is no argument to say to a Member of a minority Government, faced with problems of housing and town planning and pensions, that he did not deal with this. Why? Because under the Act of 1929 it was possible, without dealing with the matter of de-rating, under the formula that is now being discussed, to have given far more than the formula prescribed as a minimum. There is no reason whatever why it should have been £350,000. We should have been able, had the House agreed, to be a little more generous to local authorities, especially in view of the plight in which they find themselves at the present time.

The Parliamentary Secretary made a point about sticking to a bargain. He said that we must stick to the bargain. Of course, we must stick to the bargain. My case against the Government is that they have only just done it. There is not any margin. They have just stuck to the bargain. When the Parliementary Secretary goes on to say there is no feeling in the country among local authorities to go back to the days before the 1929 Act, let me assure him that he is entirely mistaken. He ought to have seen, and the Minister must have seen, a document which the Non-county Boroughs Association have sent him, and to which I understand they have had no reply. It proves conclusively, with facts and figures, that the operation of the 1929 Act is thoroughly unjust, has created enormous anomalies, has not done anything whatever to bring about a equalisation of rate burdens, but has accentuated the difficulties of local authorities, very largely because of the question of roads.

The Parliamentary Secretary did not say anything about roads, but, in addition to this £5,000,000 for what is regarded as the expansion of the social services, a sum was set aside in the 1929 Act for roads. That sum, based on arithmetical calculations, was fixed at £3,000,000. There is no formula here. That £3,000,000 could be increased if the Minister, with the approval of the Treasury, cared to do so. It is still to operate for the next four years, notwithstanding the fact that in the last four years local authorities have been driven to neglect the maintenance of roads, apart, of course, from the general road programme of development, with the result that in certain counties and in certain non-county boroughs the toll for highway rates is higher than that for the maintenance of the poor. In the case of Durham public assistance accounts for 7s. in the pound. In the case of Huntingdon, maintenance of roads amounts to 12s. 6d. in the pound. The effect of all this, as the Non-county Boroughs Association points out, is to impose increasing hardships on local authorities.

It is no use the Parliamentary Secretary saying that local authorities love the operation of the 1929 Act. They do not. For the second time I have to give the Minister credit for having succeeded in stupefying the local authorities. First, he drove them to hysteria, so that they rushed into economies. Now he has succeeded in stupefying them, and, if they are not making the progress that they ought to do, it is not because they have any love for him or his friends, but because they have been completely demoralised by the policy of the Government. I assume, though argument would not lead me to believe that it should be so, that the Government will get the Second Reading of this Bill. It is a Bill of the meanest possible kind. It holds out no hope to local authorities, who are going through a time of difficulty as great as that of the Government. It does nothing at all for them, indeed it stabilises their impecuniosity and their difficulties for four more years, all based on a false formula, and at the end of four years, as things are now, under the operation of the Bill we shall find that, because of the formula, the local services of the country have been seriously discouraged.

There is this final point. It is true that one cannot argue de-rating in detail to-night, but one effect of the De-rating Act has been to throw the whole burden of expansion of the social services on to the householder, the shopkeeper and the professional man. We have had again a speech about these derating provisions having been made for all time. That is true, but the point that the House has to consider is that, having deprived local authorities of a very large proportion of their means of revenue, that expansion falls upon those who pay the rates, and that now, when social services are being discouraged, when local authorities are in increasing difficulties because of economic circumstanes, when they are having trebled burdens cast on their shoulders deliberately by the Government, when they are having to face half their revenue going to the maintenance of the poor, if they are to keep their social services during the next four years they can only do it by increasing the burden upon the ordinary householder, the shopkeeper and the struggling professional man.

The Bill is wrong. The Noble Lord complains, as he did on the Financial Resolution, that it has been introduced before the Budget. The Minister would not have introduced it at all if he could have helped it. He had to do it before 31st March. He had to make legislative provision before the end of March, not because he wanted to do so, but because the present Chancellor of the Exchequer legislated in 1929. I agree with the Noble Lord that this is a problem that has to be considered in relation to the financial resources of the nation. He and I might not agree as to what the financial resources are, but this Bill has nothing whatever to do with the financial resources of the nation. It is, in the immortal words of the Parliamentary Secretary, a routine, machinery Bill, a Bill without a heart, a Bill without a soul, a Bill that gives no hope whatever to local authorities, a Bill that gives the least that it must give under the law of the land, and a Bill which will give, not merely to the old distressed areas but to those which are becoming distressed, no hope for the future. It will get its Second Reading. Unfortunately, I cannot help that. If I could prevent it I would. I am sorry, not because of any defeat of my hon. Friends in the House, but because of the discouragement that it will bring to struggling areas and because of the increasing burdens falling on their backs. They did at least hope, having rallied to the national cause 18 months ago, that the National Government would do something to assist them in their difficulties. There is no hope for them now apart from a change of Government.

8.44 p.m.

Sir H. YOUNG: The right hon. Gentleman began with some words which in intention were hard. It would be waste of time for me to reply in kind, because I believe him to be quite impregnable in the armour of his own self esteem. He seems to have erected an idol of his own imagination—the idol of his own tenure of office. He sits and worships in a temple of his imagination. We do not grudge him the innocent amusement, because in that temple he is the only worshipper. Let me test some of the logic and accuracy of the observations of the right hon. Gentleman because in the greater part of his speech he made use of an extremely familiar device. He described all the well-known and acknowledged evils of the country, and he said that the remedy was not to be found in the Bill. Nobody ever suggested that the remedy was to be found in the Bill. It is not a part of the mental make-up of the party of which I have the honour to be a member or of the Government to which I have the honour to belong to try and delude the country into believing that the remedy for all those evils can be found in a single Bill. The Bill is devoted to a minor and specific purpose. The very rhetorical effort on the part of the right hon. Gentleman was most misleading in the effect it might have upon the House, and it is an effect which I should like to try to remove. He was constantly referring in derision to the circumstance of the Government's making provision for only £350,000 for the distressed areas. Did he, in the vulgar phrase, expect to get away with that? He could only do so with someone who had not read the Bill

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and was quite unacquainted with the legislation within its province. The amount which will be distributed subject to the unemployment factor is £15,000,000, and the total amount which has been voted is over £44,000,000.

Mr. GREENWOOD: New money?

Sir H. YOUNG: The new money is £5,350,000.

Mr. GREENWOOD: No, the new money is £350,000.

Sir H. YOUNG: The right hon. Gentleman, in talking about new money, has forgotten what passed when he was administering the Measure.

Mr. GREENWOOD: The new money under the 1929 Act was £5,000,000 per year for the first three years. It is now to be £5,350,000 for another four years, an increase of £350,000. That is all that I have said.

Sir H. YOUNG: I am glad that I have induced the right hon. Gentleman to spring the amount up to £5,000,000, and if he gets upon his legs again I may be able to get him up to a completely accurate amount. I should like to refer to the argument of the right hon. Gentleman more in detail and clear it away, but I think that it is rather an example of the slow vision which I have observed at times in his observation. He protests that justice is not done in the recalculation of new money because of the shortness of the grant period and because 1930-31 and 1931-32 are only one year apart owing to the fact that the first grant period was only three years. If anyone makes a mistake in logic he is sure to be found out. The first mistake is that the sooner the recalculation takes place the sooner the distressed areas will benefit by an increase in the grant. Let me deal with the mistake in fact. The right hon. Gentleman has not informed himself—possibly he had not the means of informing himself of the fact—that the expenditure of local authorities is not increasing. If he were to wait any longer there is no reason to suppose that there would be any increase in the amount of this new money. Such are some of the errors, large and small, which, in logic and in fact, I detected during my careful attention to the observations of the right hon. Gentleman.

As was inevitable, the Debate has covered a wide ground, and I think that it is very desirable that it should have done so, because of the very wide considerations which underlie what is quite rightly described by the Parliamentary Secretary as a Measure small in scope and really routine in its operations in the sense that it has to come up at a certain time and also has to do things in a certain manner prescribed by the Act of 1929. As on the first occasion, and also very naturally, there were two currents of opinion, the current of opinion of those who wanted more scope, and the current of opinion of those who wanted less scope. It is very far from being my intention to take advantage of the course so kindly suggested to me by the hon. Member for South Croydon (Mr. H. Williams) and say that the one argument outbalanced the other and that I might be content to escape by walking off in the middle. Not at all. I should like to deal with both of those arguments to the best of my ability.

The speech of the hon. Member for Mansfield (Mr. C. Brown) was most agreeable in form but most dangerous in substance. It was, I think, a shining example of the essential fallacy of the Socialist party that all you need to do in order to improve matters is to spend more money regardless of how you spend it or what you spend it upon. The plea of the hon. Member was really nothing more than a plea for larger expenditure, and he measured the merits of the Bill by the amount of money it provided without regarding the objects of the expenditure. That, as is well known, is not the principle which we follow. The word "generosity" has been used very often in these Debates. I do not think that it is so much a matter of generosity which we have to have under consideration. We are simply thinking of the amount of public money which, in very hard times, it is necessary to devote to some essential purposes. We look at it from a common-sense and business point of view, and, I trust, free from some of the more emotional aspects introduced into the Debate to-day.

The chief contention, as I understood it, of those who complain of the inadequate provisions of the Bill was that new burdens had been cast upon the local authorities by the action of the Government, and so the Government ought to provide means to meet them. Let us get the situation into perspective. Broadly speaking, that is not true. Nobody disputes that there are heavy new burdens cast upon the local authorities. We know that to be the fact. Many of the figures which have been produced are perfectly accurate. But it is not the case that more than a very small portion of those new burdens is due to the action of the Government. It is due, in the first place, simply and solely to the fact that the country is passing through very bad times, and local authorities are feeling the pinch of those bad times just as much as the central Government. That is responsible for the greater part of the new burdens of which we have heard. The means test is not responsible for any of those burdens. There has been a certain amount of misapprehension about that, but I think that the position will have been made clear now. If, by reason of the means test, a man is not qualified for transitional payment he is not qualified for poor relief either, so that the means test has not had the effect of increasing the burdens at all.

It is said that the increase in the burden of the Poor Law is due to the disallowances of courts of referees, and there has been some such increase in the burden in the past. What we observe now is that one encouraging circumstance, from the point of view of Poor Law relief, is the rate at which the disallowances are being made. They have passed the peak and are now falling off. There is another influence which is at work, undoubtedly, in increasing the burden of poor relief at the present time, and it is simply the difficulty of maintaining high standards of administration under the pressure of the bad times. We have to look to the local authorities for assistance in the maintenance of high standards in order to assist the nation in its need. If it be, and I think it can be proved to be, that the burden of bad times causes these increasing difficulties, we are forced to the conclusion that the difficulties to be faced are on the same basis as these which have always faced the local authorities in the past. There has been no new call upon them although the call may be more severe in quantity than in the past, but actually, in quality and in nature it is on no more difficult a basis than it has been in the past.

One must get a true perspective of this matter and in order to get a true perspective let me glance at the other side of the picture and refer to certain helps that have been given recently through the action of the Central Government for the benefit of the local authorities. First, there was the new money itself, the £5,000,000 which came in 1929, the equivalent of a 5d. rate over the whole country. That is a very important aid. It must not be forgotten when we are thinking of what is the right distribution of burdens between the National and the local purse. Let me remind the House of the enormous step that was taken when we accepted the liability for the National purse that the whole of the transitional payments should be met by the Exchequer. That did not relieve the local authorities of any burden which had fallen on them before but it relieved them of an enormous apprehension for the future. It relieved them finally, once and for all of that charge and established the position that the liability for transitional payments rested on the Exchequer alone, a most important fortification of the financial position of the local authorities.

Finally, we come from the larger things to the smaller ones. There is the financial help given in this Bill. I have never suggested that it is a big help, because it is not. It is a comparatively small help, but it gives something substantial if you consider the distressed areas and that the new help of £350,000, under the Bill, owing to its being distributed on the basis of the formula, is particularly available for the distressed areas. I pointed out that it would give that assistance when we were dealing with the Financial Resolution. One town, West Hartlepool, stands to gain to the extent of a 7½d. rate from this new money and Sunderland will gain 6.2d., and so on in smaller amounts.

Mr. BATEY: What is the figure for Durham County?

Sir H. YOUNG: I have not the figure by me. I am afraid that nothing would satisfy those who have spoken for the distressed areas to-day. They have however got considerable assistance. Let me deal with one case which has been put vigorously, the case of the County of Glamorgan and the position in respect

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of its old loans. I gave the only answer which it is possible for a responsible Minister to give when that matter came up on the Financial Resolution, but since the matter has been referred to again, in order to get it in true perspective I would remind the hon. Member for Ogmore (Mr. E. Williams) that, in respect of the mitigation of its outstanding loans, Glamorgan is already enjoying, under Section 114 of the Act of 1929, a benefit of a capitalised value of £176,000. One must have regard not only to what one would like to get in the future but what one has got in the past, and that applies all through these calculations.

There is one phrase or word in the Amendment against which I most vigorously protest and that is the word "bankruptcy." It is not true and it is monstrous to use the word bankruptcy in connection with the cities and towns of this country. I am sure that it was an inadvertant phrase but let us see how far this reckless phraseology can be carried. I would refer to what was said by the hon. Member for the Scotland Division of Liverpool (Mr. Logan) today. He said that every city is on the brink of bankruptcy. That is not true and such a saying ought not to be allowed to go out from this House without the most effective and thorough protest. Our cities are financially sound and they are entitled to the high credit which they enjoy in the world and it is doing a very false service to the cause of the country and the cause of the local government and the cause of the cities themselves, including the cities which the hon. Members concerned represent, to allow so complete a misrepresentation of their position to be circulated.

Mr. LOGAN: I definitely make the statement that so far as Liverpool is concerned on the figures that I have supplied that that is the position of Liverpool from the Tory point of view and not from the point of view of this bench. The right hon. Gentleman had better study the figures.

Sir H. YOUNG: The hon. Member's statement now does not cover the point. What I protest against is not any figures used in connection with Liverpool, which I have had no opportunity to check, but what I protest against is the statement that every city is on the brink of bankruptcy to-day.

Mr. LOGAN: I maintain it.

Sir H. YOUNG: I submit that it is not true.

Mr. LOGAN: If the Minister makes a statement in this House and says that when an hon. Member makes a statement in regard to accountancy figures that despite those figures, what he says is untrue, then I say that the figures I have given to-day prove that so far as the cities that have been quoted are concerned they are on the point of bankruptcy and I defy any Member of this House in regard to the figures I have produced, to prove otherwise.

Sir H. YOUNG: I desire to give such authority as I can to an emphatic and deliberate statement in this House that the use of the word "bankruptcy" in connection with any city in this country was unwarranted. Let me turn from that side of the argument to deal with the other side of the argument which has been presented by those who say that less money should be spent. That argument was led by the noble Lord the right hon. Member for Hastings (Lord E. Percy). Let me make it perfectly clear that the introduction, and I hope the passage, of this Bill will have no effect in checking or damping down any effort for reasoned, ordered and scientific economy in local administration which it is the task of this Government as it is that of every Government to perform. In that regard we have received valuable assistance from the inquiry made by capable persons under the chairmanship of my hon. Friend the Member for Richmond (Sir W. Ray) and full use will be made of their report by the Government and the Ministry of Health in particular in securing the highest possible standards of administration in all the matters referred to in the report.

The noble Lord complained that we are introducing a Bill to provide for a fixed sum over a period of years. That is the very basis of a system of block grants. Block grants were introduced in 1929, after the utmost deliberation by this House, for the express purpose of securing reasoned economy. The system of block grants was considered then, and should be considered now, as one of the most efficient methods of securing economy in local administration. He referred to the percentage grant system, which, I think, he really preferred. The block grant system has this great advantage, that it gives a stated income to local authorities over a period of years and enables them to make reasoned and ordered plans for expenditure. Both these things are absolutely vital to good financial administration, and I believe the Noble Lord, on reconsideration, will find that the system of a fixed block grant over a number of years is really the foundation stone of good and economical administration by local authorities. May I put to him this point that a fixed block grant over a period of years by no means prevents or hinders a continuous effort for economy. Such an effort ought to be part of the normal work of all local authorities and of every Minister of Health, and there is every motive for local authorities to make this effort under a block grant system. In order to finance local developments local authorities must economise in order to make the best use of the grant and, therefore, you have the strongest motives for economy under the block grant system.

The Noble Lord asked me to expound the policy of the Government in this Bill in relation to the Budget. The constitutional answer, which would apply to any expenditure proposed to the House of Commons at this time of the year, is that the expenditure provided for in this Bill will come up in due course in the Estimate to be presented to the House, and when it is presented there is the implied declaration of the Government that the expenditure proposed is essential for national purposes, and that in due course the Government will ask the House of Commons in Committee of Ways and Means to provide the finance to meet the expenditure. That is what is to be said of the Government's policy in regard to such expenditure when it comes forward in the preliminary stage of a Bill; when it comes forward as an Estimate the Estimate will contain the policy of the Government in relation to the expenditure.

Mr. LOGAN: In regard to the four years, suppose the Government find some difficulty, is there any possible chance of the policy being reconsidered?

Sir H. YOUNG: In the few remaining words I have to say the hon. Member will probably find that I shall cover that particular point. Let me turn to the subject of the depressed areas. Occasions such as this, which enable the great difficulties of these areas to be ventilated by those who are best informed about them, are of the greatest possible value to the Government. I have already pointed out that the Bill will bring some help to depressed areas and I have given figures in relation to one or two towns to illustrate the effect of the provision we are making. Let me point out again that we are not in this Bill dealing with the distribution of the money; we are only dealing with the total amount. The hon. Member for Newcastle-upon-Tyne, East (Sir R. Aske) asked several questions on this subject. Probably he was not present when I dealt with the Financial Resolution, because I answered his points on that occasion. Let me answer them again. An undertaking was given by me on behalf of the Government that we would advance the recalculation of the distribution of the block grant, and undertake it at once, in order to see how in the second block grant period it would work out as regards the depressed areas. I gave my undertaking then that when these calculations were finished I would enter into negotiations with the representatives of local authorities to discuss the basis of the distribution, as to whether it was working fairly or whether there should be some alteration of the basis in the interests of depressed areas. The fact that we do not deal with distribution in this Bill is without prejudice to these investigations and negotiations. I have said that they are in active progress, and I shall continue them until they are concluded.

I mentioned on a previous occasion, and I must mention it again, that a new circumstance has arisen in the Report of the Royal Commission on Unemployment Insurance. That report has made sweeping recommendations which go all over this region of financial responsibility, and I must point out to the House that any conclusions come to may be affected by the conclusions on the larger matters in the Report of the Royal Commission. The Debate has taken a wide sweep, and it is useful that it should have done so; but, on the other hand, the scope of the Bill is small. I believe

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the House will come to the conclusion that in acting as they have, and in following the strict letter of the guarantee given to local authorities in 1929, the Government have done what is demanded in justice to local authorities, on the one hand, not to break the guarantee, and in justice to the taxpayer and ratepayer, on the other hand, not to increase the provision of public money at the present time beyond what is essential in the national interest.

Question put, "That the words proposed to be left out stand part of the Question."

The House divided: Ayes, 259; Noes, 45.

Division No. 71.] AYES. [9.14 p.m.

Acland-Troyte, Lieut.-Colonel
Adams, Samuel Vyvyan T. (Leeds, W.)
Agnew, Lieut.-Com. P. G.
Allen, Sir J. Sandeman (L'pool, W.)
Aske, Sir Robert William
Atholl, Duchess of
Atkinson, Cyril
Baldwin, Rt. Hon. Stanley
Baldwin-Webb, Colonel J.
Balfour, George (Hampstead)
Balniel, Lord
Barrie, Sir Charles Coupar
Bateman, A. L.
Beauchamp, Sir Brograve Campbell
Beaumont, Hon. R. E. B. (Portsm'th, C.)
Bird, Ernest Roy (Yorks., Skipton)
Boulton, W. W.
Bowyer, Capt. Sir George E. W.
Braithwaite, Maj. A. N. (Yorks, E.R.)
Braithwaite, J. G. (Hillsborough)
Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Col. D. C. (N'th'l'd, Hexham)
Brown, Ernest (Leith)
Brown, Brig.-Gen. H. C. (Berks., Newb'y)
Buchan-Hepburn, P. G. T.
Burghley, Lord
Burnett, John George
Butler, Richard Austen
Campbell, Edward Taswell (Bromley)
Campbell-Johnston, Malcolm
Caporn, Arthur Cecil
Castle Stewart, Earl
Cautley, Sir Henry S.
Cazalet, Thelma (Islington, E.)
Christie, James Archibald
Clarry, Reginald George
Clayton, Dr. George C.
Cobb, Sir Cyril
Conant, R. J. E.
Cook, Thomas A.
Cooke, Douglas
Cooper, A. Duff
Copeland, Ida
Courtauld, Major John Sewell
Craddock, Sir Reginald Henry
Craven-Ellis, William
Crooke, J. Smedley
Crookshank, Capt. H. C. (Gainsb'ro)
Croom-Johnson, R. P.
Cross, R. H.
Cruddas, Lieut.-Colonel Bernard
Curry, A. C.
Davies, Maj. Geo. F. (Somerset, Yeovil)
Dawson, Sir Philip
Denman, Hon. R. D.
Dickie, John P.
Drewe, Cedric
Duckworth, George A. V.
Dunglass, Lord
Eastwood, John Francis
Ellis, Sir R. Geoffrey
Elliston, Captain George Sampson
Elmley, Viscount
Emrys-Evans, P. V.
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Evans, David Owen (Cardigan)
Foot, Dingle (Dundee)
Ford, Sir Patrick J.
Forestier-Walker, Sir Leolin
Fox, Sir Gifford
Fuller, Captain A. G.
Ganzoni, Sir John
Gibson, Charles Granville
Gillett, Sir George Masterman
Gilmour, Lt.-Col. Rt. Hon. Sir John
Glossop, C. W. H.
Goff, Sir Park
Gower, Sir Robert
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Greaves-Lord, Sir Walter
Greene, William P. C.
Gretton, Colonel Rt. Hon. John
Griffith, F. Kingsley (Middlesbro', W.)
Grimston, R. V.
Guinness, Thomas L. E. B.
Guy, J. C. Morrison
Hales, Harold K.
Hanley, Dennis A.
Harbord, Arthur
Hartland, George A.
Haslam, Sir John (Bolton)
Heligers, Captain F. F. A.
Henderson, Sir Vivian L. (Chelmsf'd)
Hepworth, Joseph
Hills, Major Rt. Hon. John Waller
Hoare, Lt.-Col. Rt. Hon. Sir S. J. G
Holdsworth, Herbert
Hope, Capt. Hon. A. O. J. (Aston)
Hopkinson, Austin
Hore-Belisha, Leslie
Hornby, Frank
Horsbrugh, Florence
Howitt, Dr. Alfred B.
Hunter, Dr. Joseph (Dumfries)
Hurd, Sir Percy
Inskip, Rt. Hon. Sir Thomas W. H.
Iveagh, Countess of
Jamieson, Douglas
Janner, Barnett
Jennings, Roland
Joel, Dudley J. Barnato
Johnston, J. W. (Clackmannan)
Jones, Sir G. W. H. (Stoke New'gton)
Jones, Henry Haydn (Merioneth)
Ker, J. Campbell
Kerr, Lieut.-Col. Charles (Montrose)
Kimball, Lawrence
Kirkpatrick, William M.
Knight, Holford
Latham, Sir Herbert Paul
Leech, Dr. J. W.
Lees-Jones, John
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Levy, Thomas
Liddall, Walter S.
Lindsay, Noel Ker
Lister, Rt. Hon. Sir Philip Cunliffe-
Llewellin, Major John J.
Lockwood, John C. (Hackney, C.)
Lovat-Fraser, James Alexander
MacAndrew, Lieut.-Col. C. G. (Partick)
MacAndrew, Capt. J. O. (Ayr)
McCorquodale, M. S.
MacDonald, Malcolm (Bassetlaw)
McEwen, Captain J. H. F.
McKeag, William
McKie, John Hamilton
Maclay, Hon. Joseph Paton
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Magnay, Thomas
Maitland, Adam
Makins, Brigadier-General Ernest
Mallalieu, Edward Lancelot
Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. R.
Martin, Thomas B.
Mason, David M. (Edinburgh, E.)
Mason, Col. Glyn K. (Croydon, N.)
Mayhew, Lieut.-Colonel John
Merriman, Sir F. Boyd
Mills, Major J. D. (New Forest)
Milne, Charles
Mitcheson, G. G.
Molson, A. Hugh Elsdale
Moore, Lt.-Col. Thomas C. R. (Ayr)
Moreing, Adrian C.
Morgan, Robert H.
Morris-Jones, Dr. J. H. (Denbigh)
Morrison, William Shepherd
Muirhead, Major A. J.
Munro, Patrick
Nall, Sir Joseph
Nation, Brigadier-General J. J. H.
Nicholson, Godfrey (Morpeth)
Nunn, William
O'Donovan, Dr. William James
Oman, Sir Charles William C.
Patrick, Colin M.
Pearson, William G.
Penny, Sir George
Perkins, Walter R. D.
Peters, Dr. Sidney John
Peto, Geoffrey K. (W'verh'pt'n, Bilston)
Pike, Cecil F.
Powell, Lieut.-Col. Evelyn G. H.
Procter, Major Henry Adam
Raikes, Henry V. A. M.
Ramsay, Alexander (W. Bromwich)
Ramsay, Capt. A. H. M. (Midlothian)
Ramsay, T. B. W. (Western Isles)
Ramsbotham, Herwald
Ramsden, Sir Eugene
Rankin, Robert
Ratcliffe, Arthur
Ray, Sir William
Rea, Walter Russell
Reed, Arthur C. (Exeter)
Reid, William Allan (Derby)
Remer, John R.
Rentoul, Sir Gervais S.
Renwick, Major Gustav A.
Roberts, Aled (Wrexham)
Ropner, Colonel L.
Rosbotham, Sir Samuel
Ross, Ronald D.
Runge, Norah Cecil
Russell, Albert (Kirkcaldy)
Russell, Richard John (Eddisbury)
Rutherford, Sir John Hugo (Liverp'l)
Salmon, Sir Isidore

Salt, Edward W.
Samuel, Rt. Hon. Sir H. (Darwen)
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Sanderson, Sir Frank Barnard
Selley, Harry R.
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Shepperson, Sir Ernest W.
Skelton, Archibald Noel
Smith, R. W. (Aberd'n & Kinc'dine, C.)
Somervell, Donald Bradley
Somerville, Annesley A. (Windsor)
Somerville, D. G. (Willesden, East)
Soper, Richard
Sotheron-Estcourt, Captain T. E.
Southby, Commander Archibald R. J.
Spencer, Captain Richard A.
Stanley, Lord (Lancaster, Fylde)
Stanley, Hon. O. F. G. (Westmorland)
Stevenson, James
Stones, James
Storey, Samuel
Stourton, Hon. John J.
Strauss, Edward A.
Sueter, Rear-Admiral Murray F.
Sutcliffe, Harold
Templeton, William P.
Thomas, Rt. Hon. J. H. (Derby)
Thomas, James P. L. (Hereford)
Thomson, Sir Frederick Charles
Thorp, Linton Theodore
Todd, Capt. A. J. K. (B'wick-on-T.)
Touche, Gordon Cosmo
Train, John
Wallace, Captain D. E. (Hornsey)
Ward, Lt.-Col. Sir A. L. (Hull)
Ward, Irene Mary Bewick (Wallsend)
Ward, Sarah Adelaide (Cannock)
Warrender, Sir Victor A. G.
Wayland, Sir William A.
Wedderburn, Henry James Scrymgeour-
Wells, Sydney Richard
Whiteside, Borras Noel H.
Whyte, Jardine Bell
Williams, Charles (Devon, Torquay)
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Wilson, G. H. A. (Cambridge U.)
Windsor-Clive, Lieut.-Colonel George
Winterton, Rt. Hon. Earl
Womersley, Walter James
Wood, Sir Murdoch McKenzie (Banff)
Worthington, Dr. John V.
Young, Rt. Hon. Sir Hilton (S'v'noaks)

TELLERS FOR THE AYES.—Captain Austin Hudson and Mr. Blindell.

NOES.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Batey, Joseph
Bevan, Aneurin (Ebbw Vale)
Brown, C. W. E. (Notts., Mansfield)
Buchanan, George
Cape, Thomas
Cove, William G.
Cripps, Sir Stafford
Daggar, George
Davies, David L. (Pontypridd)
Davies, Rhys John (Westhoughton)
Dobbie, William
Edwards, Charles
Evans, R. T. (Carmarthen)
George, Major G. Lloyd (Pembroke)
Greenwood, Rt. Hon. Arthur
Grenfell, David Rees (Glamorgan)
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Hicks, Ernest George
Hirst, George Henry
Jones, Morgan (Caerphilly)
Kirkwood, David
Lansbury, Rt. Hon. George
Lawson, John James
Leonard, William
Llewellyn-Jones, Frederick
Logan, David Gilbert
Lunn, William
Macdonald, Gordon (Ince)
McEntee, Valentine L.
McGovern, John
Maxton, James
Milner, Major James
Parkinson, John Allen
Price, Gabriel
Tinker, John Joseph
Wallhead, Richard C.
Williams, David (Swansea, East)
Williams, Edward John (Ogmore)
Williams Dr. John H. (Llanelly)
Williams, Thomas (York., Don Valley)

TELLERS FOR THE NOES.—Mr. Groves and Mr. D. Graham.

Bill read a Second time.

Bill committed to a Committee of the Whole House for Thursday.—[*Mr. Shakespeare.*]

INDIAN PAY (TEMPORARY ABATEMENTS) BILL.

Considered in Committee; reported, vithout Amendment; read the Third ime, and passed.

SUPPLY.

Considered in Committee.

[Captain Bourne in the Chair.]

Civil Estimates, Supplementary Estimate, 1932.

Class II.

Dominion Services.

Motion made, and Question proposed,

"That a Supplementary sum, not exceed-ng £166,570, be granted to His Majesty, o defray the Charge which will come in ourse of payment during the year ending n the 31st day of March, 1933, for sundry ominion Services, including certain Grants n Aid, and for expenditure in connection ith Ex-Service Men in the Irish Free tate, and for a Grant in Aid to the Irish Free State in respect of Compensation to Transferred Officers."

9.25 p.m.

The SECRETARY of STATE for DOMINION AFFAIRS (Mr. J. H. Thomas): Happily this is in the same category as the last Order which went through, being non-contentious and non-controversial. This is a Supplementary Estimate which is entirely accounted for by a new subhead for a grant-in-aid for Newfoundland. The House will be well aware that following the economic difficulties of the world, our Dominions were naturally and obviously affected like everyone else, and no Dominion was more affected than the oldest of our Dominions, Newfoundland. For reasons into which I need not go, they found themselves in a very difficult position in 1931, and very wisely they sent to this country and said, "Here is a very serious state of affairs. We want your help and co-operation." We gave them the assistance of a financial adviser, but, in spite of all the recommendations and economies effected in 1931, they found themselves in December, 1932, entirely unable to meet their commitments which were due in January—commitments not only to this country, to themselves and Canada, but commit-

[Mr. Thomas.]
ments outside the United Kingdom and the Empire.

The matter received our immediate attention and we took, shortly, this view, that whatever might be the reasons or causes, a default by one of our own Dominions would be a very bad thing, especially when we knew that it was due to circumstances over which they had no control. The Prime Minister of Canada, Mr. Bennett, happened to be in this country at the time. Canada was, and is, vitally interested in the position and the future of Newfoundland. It would naturally be affected by the default of a fellow-Dominion. It would be affected because of the close proximity and connection between Newfoundland and Canada, and also because of the financial interests between the two Dominions. As a result of the discussions that took place, the Prime Minister of Canada agreed with us that it would be a very bad thing at that time and for the reasons I have already given, for a default to take place. I think I am entitled to pay tribute to the Canadian Prime Minister and to the Canadian Government for so readily responding. The result was that we sought to arrive at an agreement whereby, jointly, we were prepared to meet the situation at once, and prevent a default that would have occurred in January.

But it would be unfair and unwise for me not to explain to the House that we were not only taking an unprecedented step but a step that naturally might have repercussions. The result was that we decided, not on our own, but after consultation and agreement with the Newfoundland Government, that we could not let the position merely rest there. It was agreed between Canada, Newfoundland and ourselves that we should appoint a Commission at once to proceed to Newfoundland to investigate the whole situation. The reason for that was that the next payment would be due in June, and the object of the Commission would be to review the situation on the spot in consultation with the Newfoundland Government and their representatives, take all the evidence necessary and report to us as to their findings on the whole situation so that the matter could be reviewed before the next payment was due in June. I have already explained to the House the appointment and personnel of that Commission. They are at this moment en route for Newfoundland. They will apply themselves immediately to the situation and their instructions are to report in time for us to consider the situation before June.

Therefore, in presenting this Estimate to the House I make no apology for the action of the Government. Everyone who gives a moment's consideration not only to the situation then but to the situation to-day will come to the conclusion that it would have been a very bad thing, it would have reflected against us and would not have tended either to the unity or strength of the British Commonwealth which we all desire, if in an emergency of this kind we had failed to respond to the appeal which was made. It was because of all those circumstances and for the reasons I have given that the Government arrived at this decision, and we now ask the House, by passing this Estimate, to confirm the action we took.

9.35 p.m.

Mr. BUCHANAN: I rise only for the purpose of asking one or two questions which, no doubt, the Secretary of State for Dominion Affairs, with his usual courtesy, will answer. I should like to ask, for how much is Canada responsible? I notice that the right hon. Gentleman stated that Canada had come into the agreement, but he did not say if Canada was taking any responsibility and if so, what was the sum for which she was responsible.

Mr. THOMAS: Fifty-fifty.

Mr. BUCHANAN: Thank you, I thought the answer would be in terms like that. The second point which I wish to raise is this. There is no use in trying to skate over the fact that there has been, among a great section of the population in Newfoundland, to put it no higher, grave uneasiness. Everybody knows that that uneasiness has found expression in many ways. There may have been cause for the uneasiness or there may not but we must all agree that in a colony, which is not very large, a thing like this would cause uneasiness. I presume that that is one of the reasons why a commission has been appointed—in order to report on this subject and help to put matters on a proper footing.

Has this commission power to investigate what happened in the past and what caused a situation which almost amounts to default, if we along with Canada do not go to the rescue of Newfoundland? Has the commission power to examine the past actions and conduct of those in control of Newfoundland affairs?

Far be it from me to claim to be an authority on Colonial matters. I am always content to be a student of those things but there is at least this to go upon—that among certain people there is a feeling that if things had been properly managed this question would not have arisen now and there would be no need to go to the rescue of Newfoundland. Are there any limitations placed on the commission? Is it to find out where this default arose and what was the cause, whether any persons were directly responsible or whether it was merely the outcome of economic conditions and world trade conditions over which Newfoundland had no control? It may be that the latter is the case but it would be well for the right hon. Gentleman to tell us exactly what are the powers of the commission.

Naturally we do not object to helping Newfoundland or any other Dominion if such help is required but it is only natural that people at home should point out that they also need loans. I am not in favour of putting any barriers between this country and Newfoundland or indeed any part of the world but naturally people here say "we need help also." Yet people at home see the Government embarking on Austrian loans and Newfoundland loans. They see that the House of Commons passes these loans almost unchallenged while there is great need for assistance at home. I was recently in a mining area which is suffering acute distress, which is, indeed, in a pitiable state because the people there are working and yet have to put up with shocking conditions. People there ask how it is that the Government can find money for Austria and Newfoundland and for various other purposes yet when loans are asked for essential objects they are refused.

Only to-day I heard of a town which was asking for a loan to carry out certain desirable works, works to which no one could take exception, and one of the town councillors, a Conservative, writes to me to this effect: "How is it that this town is refused a loan of £25,000 for the improvement of the town, and yet the Government can make loans to Newfoundland and elsewhere?" I do not say that the Newfoundland loan will not come back. I think that anything which is given to another human being even in a foreign country comes back in some form or another. On the other hand these questions to which I have referred are raised in the people's minds by such proposals as this. The Government take credit for and indeed glory in making a loan of this kind and yet they also glory in refusing loans to towns within our own borders for equally estimable purposes. I hope therefore that the right hon. Gentleman will state what limitations if any have been placed on this Commission; whether they will have power to send for documents and witnesses and find out what has happened in the past and whether they will in due course present their report to this House and to the Canadian Parliament in order that Members may know the exact position.

9.43 p.m.

Colonel WEDGWOOD: I do not like to offer opposition to the large-hearted generosity whether of the Secretary of State for Dominion Affairs or the hon. Member for Gorbals (Mr. Buchanan). We are all only too anxious to give money to everybody. At the same time we ought to see where we are going. This is only a matter of £166,000, a mere bagatelle, although, I think, there are not 166,000 people there. But this only represents a half year's interest. How long is it going on? Will the Government not be faced next June with precisely the same difficulty—the difficulty with which America, next door to Newfoundland, is being faced? How long is the generosity which has been lauded here going to continue? Is this to be a permanent additional charge on the British taxpayer of £332,000 a year?

This is a deadly precedent. What you have done for Newfoundland are you also going to do for the other Dominions? Australia is a heavier borrower than even Newfoundland. Then, there is Canada or, to come to a place where we have even greater responsibilities, there is Kenya. There

[Colonel Wedgwood.]

are large loans, rising, I think, to £10,000,000. That is a Crown Colony governed from here. They raised the money on their own security. Are we liable? Are we to take a liability on our shoulders by this precedent which may run into hundreds of millions of pounds? The real difficulty is this: Now that you have done this for the Newfoundland loan, everybody who has invested money in that loan immediately says: "Well, now the British Government is behind it, I can afford to stick to my loan." I do not know what the price was down at, but let us say 50, and it bounds up to 75, all on the strength of the Government guarantee. If this is to be a precedent for other Dominions as well, think of the effect, over all the loans of our Dominions, on the price at which those loans will stand. It is more than that. If we are to guarantee all loans raised by British Dominions, every one of them could have raised their money much cheaper than at the present time. The investor in those loans bought without the British guarantee. Are you now going to make him a present, a valuable financial present, which will increase the value of his security in some cases out of all reason?

Really, the right hon. Gentleman must have thought of all these questions before. It must have been present in his mind when this loan to Newfoundland came up, and I cannot help thinking that he and the Treasury have been jumped into this through the co-operation of Canada. Bennett was at it again. I mean to say that Mr. Bennett was naturally a moving spirit in this matter. But let me point out to the right hon. Gentleman that the positions of Canada and ourselves *vis-a-vis* any loan to Newfoundland are very different indeed. He knows that under a recent arbitration award Newfoundland has added to its territory an infinitely larger territory in Labrador. The arbitration award cut away a large part of what was previously considered to be Canadian territory and transferred it to Newfoundlnd. The Canadians are naturally anxious to get back that territory, which is always held to be rich in minerals, timber resources, and so on. They make an advance, fifty-fifty, of £333,000 in a year, but they have security.

I do not think that this is a good precedent to make in any case, and I hope we shall be told that it is not to be taken as a precedent of any kind, but I think it was unfortunate that we made it in connection with Newfoundland. The Government of Newfoundland has not been above criticism. It is not a very good advertisement of British rule, and I think the Secretary of State for Dominion Affairs ought to contemplate, as no doubt he will when his commission reports, the possibility of putting Newfoundland back in the position of a Crown Colony and administering it by this House.

The DEPUTY-CHAIRMAN: I am afraid that would involve legislation.

Colonel WEDGWOOD: It certainly would involve legislation, but we have to consider what the position of the Government will be when it is asked to find another £166,000 only three months hence. How much longer are we to go on paying? If we have control of the taxation and of the expenditure of a place, we can afford to lend money there, but we cannot afford to lend money to Newfoundland if the administration of that Colony by its politicians is to continue in future as in the past. Canada can. They have security. We cannot. I think the House should consider very carefully the whole principle of this idea of guaranteeing loans that have been raised by our Dominions. It is presenting money to the bondholders in the capital appreciation of the value of their bonds, and it is a liability upon the taxpayers of this country which this country is really unable to meet.

9.50 p.m.

Mr. DAVID MASON: I agree that we must be careful in lending money to anyone, but it is not right to call this a guarantee. It is a Grant-in-aid, and I think it is right and proper. This is a time when we are suffering in all parts of the world, and if we are able, by nursing certain debtors who are in distress, to save what we have already lent, that is surely the part of wisdom rather than of recklessness. This is a Grant-in-aid to avoid default.

Mr. McGOVERN: To pay to the moneylenders.

Mr. MASON: No, but to help Newfoundland to maintain its credit. If other people have already lent considerable sums to Newfoundland and other parts of the British Dominions, is it not wise finance to nurse these people, who in the present depression need to be brought back to solvency? Does not that benefit every class, whether the capitalist or the working class? If we suffer great losses all over the Empire, will not all classes be affected? I think this is a wise measure, and it has been defended in moderate language by the Secretary of State for the Dominions. I see it is stated that the terms of the loan and replacement of the advance will be determined in the light of the report of the commission which is about to visit Newfoundland. Might I suggest to the right hon. Gentleman that it would be very wise—because I agree with my right hon. and gallant Friend opposite that we should not be reckless in making advances to anyone without provision for repayment—that there should be a very stringent sinking fund provided? It would be quite in order for us to instruct the right hon. Gentleman and for him to instruct this commission that there should be a very stringent sinking fund, so that my right hon. Friend would be assured that the money will be repaid.

Colonel WEDGWOOD: How about Turkey?

Mr. MASON: We are discussing Newfoundland at the moment. I hope my right hon. Friend will bear that in mind. I wish him well and hope the money will be well spent.

Mr. MAXTON: Is the right hon. Gentleman not going to reply?

9.54 p.m.

Mr. J. H. THOMAS: I will answer the questions submitted to me by my hon. Friend the Member for Gorbals (Mr. Buchanan) and others. There is no connection whatever between the situation arising out of our action and the dispute which took place 12 months ago in Newfoundland. Last year the Government were asked to intervene, and the dispute to which the hon. Member referred took place nearly 12 months ago. In any case, I assure the hon. Member that the commission are free to investigate the whole circumstances responsible for the present financial position and to make recommendations. The hon. Member then asked what were the real causes that brought about this loan. There is a confusion, for this is not a loan in the sense in which it has been described. It was an action on our part to enable Newfoundland to meet their obligations and interest under a loan. The reason is simple. There are two primary industries in Newfoundland—cod liver oil and iron ore. The depression in the rest of the world found Newfoundland in the position that they were unable to sell the ore which had found employment for large numbers of their people. That was aggravated by the depression which also hit their other industry. In all fairness to the people of Newfoundland, I am able to say from all the information I have that no body of people has struggled harder than these people under very difficult circumstances. My right hon. and gallant Friend the Member for Newcastle-under-Lyme (Colonel Wedgwood) said that in his view Newfoundland ought to revert to a Crown colony——

The DEPUTY-CHAIRMAN: I stopped the right hon. and gallant Gentleman discussing that question, because it cannot be discussed in Committee of Supply.

Mr. THOMAS: I was only going to observe that I could not answer my right hon. and gallant Friend's question, for I did not want him to feel that I was discourteous by not referring to it. In reply to another question of my hon. Friend below the Gangway, the commission are entrusted with the responsibility of investigating not only the whole circumstances, but what in their view ought to be the future position. In answer to my right hon. and gallant Friend the Member for Newcastle-under-Lyme, I assure him straight away that this must not be taken as a precedent. I want to make it clear that if it were assumed for a moment that the action which we took in the circumstances which I have already described implied an obligation to meet similar circumstances in any other Dominion, it would be a positinn which we could not for a moment undertake. I give that assurance right away. I also assure the House that the position will be considered in the light of the circumstances which arise from the commission's investigations. It is not true to say that the position of Labrador

[Mr. Thomas.]

is in any way prejudiced. The commission are not instructed to look at the position of Labrador or of Canada in relation to Labrador. They are instructed to investigate the whole circumstances and report to the Government, and I am sure that the House on reflection will agree that, faced as we were in December with this crisis, and a situation which in the circumstances would have proclaimed to the world that for the first time one of the oldest of our Dominions had defaulted, there would have been many Members in the House who would have asked, "What steps did you take to meet the situation?" We took the only steps open to us to meet the situation. It is not to be taken as a precedent in any way. I hope that it will never be necessary to repeat it, and that as a result of the investigation of the commission we will reach a stage that will be satisfactory to everybody.

10.0 p.m.

Mr. MAXTON: The statement of the right hon. Gentleman is a very adequate one. He assures us that this will not be taken as a precedent for other parts of the British Dominions. I want his definite assurance that, should the result of the investigation about to take place show that the position of Newfoundland in December, 1933, was no better than it was in December, 1932, we shall not be asked to continue this for another year.

Mr. THOMAS: I give the hon. Gentleman the assurance right away that when the report of the Commission is received and has been considered by the Government, the House will have an opportunity of seeing the recommendations and will be able to judge then what ought to be done in the circumstances.

Mr. MAXTON: That is certainly very satisfactory. The only other thing is that I hope the right hon. Gentleman understood, and meant us to understand, that we have not committed ourselves in the survey of the situation as it will be put to us in the report. I do not follow the markets in the way that the right hon. Gentleman does, but I can see no reason to expect that the cod liver oil market in 1933 will be much better than it was in 1932.

Mr. THOMAS: If it is castor oil, it will be.

Mr. MAXTON: The right hon. Gentleman is thinking of a different part of the Dominions. I do not know anything that is likely to make Newfoundland's iron ore a more marketable commodity in 1933 than it was in 1932. Therefore, I do not want to be called upon next year at this time to repeat the £160,000 grant to Newfoundland. I am told that it is £320,000. I am afraid, therefore, that I shall have to make a speech. I understand that the total payment was £600,000, half to be borne by Canada and a similar amount by this country.

Mr. THOMAS: That is not true. It would be true if a similar circumstance arose in June, but I explained clearly to the House that I expected to receive the report before June, and therefore the £160,000 addition need not arise until then. I explained that to the hon. Member for Gorbals, and I thought that his Leader understood it.

Mr. MAXTON: I have had the opportunity of consulting with my associates. We work rather as a Soviet than as a Cabinet. I thought I understood fairly well, but the right hon. Gentleman now lets me understand that we must make another decision on this matter before June. Is it his attitude that we as a country are not going to pay any more to keep up Newfoundland's financial reputation in the eyes of the world, that if in June they are unable to meet charges which they have undertaken to meet Newfoundland's external debt will just have to flop? Do I understand that that is the position? It is no good the right hon. Gentleman assuring the right hon. Gentleman above the Gangway that this is not to form a precedent. If Newfoundland is to be allowed to flop financially in June it seems to me that it would have been better to let her go now. I am inclined to think this commitment was entered into in a very lighthearted way. All of us know the generous and sporting nature of the Dominions Secretary. We know that he is always ready to do a kindly act, always ready to take a sporting risk, and I think that in this matter he has committed us very much in that spirit. He has done a generous act which is a very, very sporting risk indeed, and he knows from long experience that the losers crop up more frequently than the winners.

The final point I wish to make is this. It seems to me that his generosity of spirit towards the Dominions increases with the distance that they are away from our own shores. The further away they are and the less valuable properties they are the more he is concerned to maintain their reputation in the eyes of the world. Had he adopted the same spirit of generosity towards our nearest Dominion as he is adopting towards this one I, for one, would have been much more ready to give him ungrudgingly a free hand to help this colony to maintain itself and carry itself through its difficulties.

Question put, and agreed to.

Resolution to be reported upon Thursday; Committee to sit again Tomorrow.

VISITING FORCES (BRITISH COMMONWEALTH) BILL [*Lords.*]

As amended (*in the Standing Committee*) considered.

CLAUSE 1.—(*Provision with respect to the discipline and internal administration of visiting forces.*)

10.10 p.m.

Sir STAFFORD CRIPPS: I beg to move, in page 2, line 13, after the word "proceedings," to insert the words:

> "other than proceedings instituted by writ of habeas corpus."

The question raised by this Amendment standing in the name of myself and some other hon. Members has already been discussed in this House and another place, and is one which I regard as of the most profound importance. The Bill in its first Clause makes provision with respect to the discipline and internal administration of military, naval or air forces which may come to this country from the Dominions. The object of Sub-section (3) of Clause 1 is to take away from the courts in this country any power whatsoever of reviewing any of the proceedings of those courts-martial or of reviewing the circumstances under which any prisoner remains in prison as the result of a sentence by such court-martial. The reason for inserting the Amendment is to preserve what has hitherto been considered to be the inalienable right of every person in this country to challenge the cause for their imprisonment. The clause as it stands is presumably designed particularly to take away that right which at present exists. The writ of Habeas Corpus, as all hon. Members know, is a very ancient prerogative writ which was devised for the defence of the liberty of the subject. It has been described many times, in very profound language, as being the great bulwark of the liberties of the people. If I may quote two passages from 17th and 18th century lawyers, it is a writ:

> "Of such a sovereign and transcendant authority that no privilege or person can stand against it."

Of course, the colonel of the visiting forces will be able to do so in future if this Bill goes through in its present form. The reason for the writ of Habeas Corpus is stated to be:

> "For that the King ought to have account rendered to him concerning the liberties of his subjects and the restraints thereof."

It is because we want means by which the restraints of persons in this country should be brought before some competent court that we desire to insert this Amendment. If the Bill is passed the position will be as follows, as I see it—the courts of this country will have no power at all to inquire into the legality or illegality of imprisonment of members of the visiting forces, and similarly the courts of the Dominions from which they come will have no power whatsoever to inquire into the legality or illegality, because writs from the Dominion courts cannot run in this country. Up till the year 1862 the writs of Habeas Corpus from the High Court here could run in any part of the King's Dominions, in any colony or any dominion. There were cases right up to 1861 when writs were issued. There was one particular case in 1861 where a writ issued to Canada, and the reason that right was discontinued was because adequate provisions had been made in the Dominions that the writ should issue out of the local courts. The words of the Act which made it no longer possible to issue a writ from these courts were that the courts in the Dominions

> "Had authority to pursue the writ and ensure its due execution throughout their territory."

[Sir S. Cripps.]

That basis, so far as these particular persons are concerned, does not exist. These persons, though they are brought by this Bill under the jurisdiction of what are foreign courts so far as this Bill is concerned, that is, the particular service courts of the Dominions, will not be persons to whom Dominion writs of habeas corpus can run. They will be left in a position of having no remedy here, because the remedy is expressly taken away by this Bill, and no remedy in the Dominion courts, because that remedy is not given by this Bill.

They will, therefore, be left in a position in which no other person in this country can possibly be left, be he foreign or British. Every person in this country has a right to go to the courts and demand a writ of habeas corpus and to challenge the reason why he remains under restraint. These persons who, one would think, were persons that this Government and the Dominion Governments were particularly desirous to protect, being fellow-citizens of the British Empire, alone of all people are to be deprived of this right. I can hardly imagine any circumstances which could possibly justify such a deprivation. It might be that some overpowering argument might be brought forward for the purpose of justification, but, so far as I have been able to appreciate the Debates that have so far taken place, there has been no argument in support of this most extraordinary provision.

It was suggested on one occasion by the hon. and learned Solicitor-General that the courts in this country would have difficulty in administering Colonial or Dominion law. The hon. and learned Gentleman shakes his head. If he will look in the OFFICIAL REPORT I am sure that he will find what I have referred to. I agree with him as to the value of the argument. It is an impossible argument to put forward. The courts of this country are perfectly competent to decide matters of habeas corpus. The law throughout the Colonies and the Dominions is exactly the same as the law of this country. It is all derived from the old common law of this country, and is no different in its application here and in the Colonies and Dominions. The questions that arise in cases of this sort are no more difficult for a court to decide here than a question of habeas corpus which would arise out of a court-martial held here. It is precisely the same sort of case.

Then there was some vague suggestion that a matter of international or inter-Imperial law arises. No such question arises here. This is purely and simply a question of domestic law, a question of the rights and privileges of persons resident in this country, and the reason why they can be and are entitled to get this form of protection, which is inherent in the English common law, is that they are in this country, upon British soil. It does not depend upon nationality or international comity, or anything else. It is inherent in the right of a person who comes within the protection of the British Crown. We say that no argument based upon international or inter-Dominion law can in any way shake that fundamental right. It may be said that this is a convenient course, and that it does not very much matter. I have no doubt that that is what was said at some convention or at some meeting, when this matter was arranged between the Dominions as a matter of convenience between naval and military experts. This was thought to be a handy way to deal with it. It may be convenient, but, surely, liberty is more important than convenience, and there can be no force in any argument which suggests that, because it may be convenient, this great right which belongs to everyone in this country should be taken away.

There is another aspect of the argument. It may be that, if this fear of interference in the case of improperly constituted courts, or improper procedure in courts, is removed entirely, it will make court-martial among the Dominion forces in this country a very slack sort of procedure. It will be a temptation to people to ignore all rules, to say that it does not matter since they cannot be challenged, and to go forward in a somewhat slapdash manner. I have put as shortly as I can most of the main points which we must take into account in considering this matter. It is really a matter having nothing to do with any party consideration. It has to do with one of the great basic conceptions of our constitutional liberty. I ask the House to rise up as the protectors of that liberty, and, although it may seem to be a small thing in itself, to prevent what it is now sought to do for the first time in our history, namely, to select a particular class of people and deprive them of this right which for centuries every person in this country has always enjoyed.

10.23 p.m.

Sir HERBERT SAMUEL: I have added my name to the Amendment which has been placed on the Order Paper by the hon. and learned Member for East Bristol (Sir S. Cripps), and should like to speak briefly in support of his argument. He has raised a point which, as he says, is not trifling or insignificant, but brings up for review a grave question of principle. Lord Buckmaster, an ex-Lord Chancellor, has stated, in opposing the provision in the Bill as it now stands, that this is one of the gravest matters with which he has ever had to deal; and one of the most distinguished Law Lords, Lord Atkin, writing to the "Times" on this very point, has said that the matter is one of great constitutional importance affecting the liberty of the subject. Hitherto, in these Debates, only members of the legal profession have taken part, either in the one House or in the other, and it is with some diffidence that I venture to intervene. But, after all, on a matter of this kind laymen have also a right to be heard, for the question touches all our fellow subjects.

It is odd that although, in the Debates which have taken place in both Houses, many lawyers have taken part, belonging to many parties, all are of one mind except those who are members of the Government. Every legal authority in this House or in the other has expressed objections to this Bill precisely on the ground that has been put by the hon. and learned Member for East Bristol. I hope that the Solicitor-General, when he replies, will not say that I am estopped from criticising on the ground that the Bill may have been approved in principle by the Cabinet when I was recently a member of it. It was regarded, of course, as a purely departmental matter. This point had not been drawn to our attention by anyone, and I cannot regard myself as being debarred from criticism on the ground that it was introduced some time ago when, it may be, I was a member of the Government, though I am not sure that it passed the Cabinet at that time.

That the Bill as a whole is needed, no one denies. There must be a Bill of this character. Neither the hon. and learned Member for East Bristol nor anyone else in either House has objected to the necessity of the Bill. It is made necessary by the Statute of Westminster and, if such legislation were not put upon the Statute Book, there would be no military law and no discipline for any forces visiting this country from Dominions which had adopted the Statute of Westminster. But the point is simply whether or not a court-martial established by one of these visiting forces should be absolute in its determination, and its decision not open to review even under a writ of habeas corpus. It has been said in previous Debates that cases in any event will be exceedingly few, and hardly ever is a writ of habeas corpus issued in connection with a court-martial. That may be true, but it is also perhaps the fact that the possibility of such a writ being issued keeps courts-martial up to the mark. Recourse may be had to the civil courts, and the courts-martial are aware of that fact. If recourse to the civil courts is abolished, a right which is thought to be unimportant may have become most urgently needed. If in any given case it is said that there are few appeals, or practically none, from the lower to a higher court and, therefore, appeals may be abolished, that is obviously a most unsound and illogical argument. It may be because there is a right of appeal that few appeals, in fact, become necessary.

Let it be remembered that a military court may consist of a single commanding officer. These visiting detachments will often be small detachments. There will not be all the organisation and paraphernalia of an army and of military courts on a large scale. These may be very small and not highly organised tribunals. It is very possible that one of these courts might stray outside the confines of military law, not purposely but through lack of knowledge, military officers not being trained lawyers. Mark the provisions of the Sub-section against which criticism is offered. The Bill says:

> "For the purposes of any legal proceedings within the United Kingdom the court shall be deemed to have been properly constituted, and its proceedings shall be deemed to have been regularly conducted,

[Sir H. Samuel.]

and the sentence shall be deemed to be within the jurisdiction of the court and in accordance with the law of that part of the Commonwealth, and if executed according to the tenor thereof shall be deemed to have been lawfully executed, and any member of a visiting force who is detained in custody in pursuance of any such sentence, shall be deemed to be in legal custody."

No one has a power of review. We are asked to enact that. The only matter in which there is a power of review is whether or not a particular person was, in fact, a member of that force and, if that is not challenged—if he was admittedly a member of the force—anything that the military court does is to be deemed to have been rightly done and no one is empowered to challenge it under a writ of habeas corpus. It goes on to say:

> "For the purposes of any such proceedings as aforesaid a certificate under the hand of the officer commanding a visiting force that a member of that force is being detained for either of the causes aforesaid shall be conclusive evidence of the cause of his detention, and a certificate under the hand of such an officer that the persons specified in the certificate sat as a service court of that part of the Commonwealth to which the force belongs shall be conclusive evidence of that fact."

So that a single officer has the right to sign a certificate to say that he has sat as a court, that he has taken such and such action, that he has arrived at such and such a conclusion, that he has sentenced such and such a person to such and such a sentence, and no one can challenge any of those facts. The Bill states that all the proceedings of the court shall be deemed to have been properly conducted. I agree with the hon. and learned Gentleman that that is a provision which this House ought not to be asked to enact. An individual may have a legitimate grievance. You cannot assume that an error of judgment is never made. A grievance may not be trivial. It may be right. He can get no redress in this country. A British soldier in exactly the same position sentenced by a British court-martial can, in a proper case, sue for a writ of habeas corpus and the civil courts can intervene. The Dominion soldier cannot, if the Bill is passed, have the same rights as the British soldier in this country. He will have no effective rights also in his own courts, for, in the first place, in those Dominions, some of which are distant, it might take a very long time to set them in motion, and while they are being set in motion the sentence may be completed and served. Even if Dominion courts were to take action, as the hon. and learned Gentleman has said, their writ will not run in this country, and therefore they cannot give him any effective redress.

There is another point which appeals to me very much as having been Home Secretary recently and at an earlier period. The Home Secretary is responsible for the prisons in this country. Everyone confined in a prison is under his supervision and the guardianship of the Prison Commissioners who come under his authority. These soldiers in the Dominion forces may be sentenced, and if they are sentenced they may be confined in a British prison in this country under the supervision of the Home Secretary, or in detention barracks. Clause 2 (2) states that His Majesty's Government may by Order in Council 20 provide, and it is obviously intended that there should be such provision. If a Service court such as has been described sentenced any soldier to penal servitude, imprisonment or detention, he may be confined during the whole or part of his time in prison in the United Kingdom or in detention barracks of the War Office or the Admiralty. The Home Secretary would have no right to advise the exercise of the Royal Prerogative and to release such a man even if he were convinced that injustice had been done. He would have to be detained under the powers of this court and under this Statute. It could only be by moving the Dominion Government that anything could perhaps be done. Therefore, the Home Secretary might conceivably be in a most unenviable position into which, I submit, he should not be placed, and he would know that no recourse could be had, either under his direction or initiative to a court of civil justice in this country to determine whether the man was rightly imprisoned or not.

The Financial Secretary to the War Office in a previous Debate said that we were not concerned with all this, and that it was a matter simply for the Dominions. If they were willing to run the risk of such things happening that was their business and not ours. He used these words:

"So far as rights hitherto enjoyed by British subjects living in those Dominions are concerned, it will in future be their own funeral to look after those rights and to see that they are preserved. Therefore, when members of the British Empire coming from South Africa visit this country, it will be for them and for their own nation to look after their liberty."—[OFFICIAL REPORT, 15th November, 1932; col. 1092, Vol. 270.]

In the first place, I do not think that we can accept that as sound doctrine. Someone ought to look after the liberty of British subjects living in this country sentenced within these territories, and perhaps confined in a prison for which this House provides the charge and which is supervised by a British Minister of the United Kingdom. There is another reason. This is part of a reciprocal arrangement. What is being done for Dominion forces here is to be done for United Kingdom visiting forces in the Dominions. That, to use the hon. Gentleman's colloquial phrase, is our funeral. We have to look after the liberties of our United Kingdom soldiers who may be in the Dominions. If what he says is true, that, if there is any derogation of responsibility, it is the Dominion's concern and not ours, it is very definitely our concern to take cognisance of all these facts, in view of the circumstances that this precise provision is to apply in Dominion legislation and that United Kingdom soldiers visiting South Africa or Canada, or wherever it may be, are ultimately to be deprived of all recourse to the civil courts of the Dominions which hitherto they have always enjoyed.

Until now a British soldier sentenced by a court-martial in any part of His Majesty's Dominions, if there is reason to think that the court has overstepped its jurisdiction or acted wrongly, has a right through habeas corpus to appeal to the civil court. That is to be taken away not only from Dominion soldiers here but from United Kingdom soldiers in the Dominions. Therefore, it is a matter which affects us very closely in this House to-night. It is not derogatory to the Dominions to say that we wish to maintain the right of habeas corpus here. It is said that the Dominions wish it to be done in this way, that they object to their soldiers having recourse to United Kingdom courts, and that it would be derogatory to insist on our civil courts having the right to intervene. It might be derogatory if it were one-sided, but if we are ready to accept a decision of the Dominions courts in exactly the same way that we have done hitherto when our soldiers are visiting the Dominions and are sentenced by a military court, there is nothing derogatory, and the Dominions and the United Kingdom will be on precisely the same footing in law and in practice, as the Statute of Westminster requires.

Therefore, it appears to me that the matter should be reconsidered. It is true that an arrangement has been made, but perhaps these considerations were not prominently before the minds of those who were engaged when the mutual arrangement was made. The Dominion of South Africa has passed legislation on these lines, but that legislation could very easily be modified by an amending Bill passed through the Dominion Legislature to modify their Measure by embodying the small alteration which the late Solicitor-General has now brought before this Parliament. It is far better that that should be done than that we should consider ourselves bound by the fact that South Africa—the only one of the Dominions so far to do it—has passed legislation in this way, to do what is obviously a wrong thing.

Habeas corpus is a fundamental right of the subject and always has been so regarded. A soldier is still a citizen. He has the obligations and the immunities of the civil law. A soldier who, when taking military action, is ordered by his commanding officer to fire on a crowd, and does it wrongly, is amenable to the civil law. He cannot claim military privilege; he is a citizen. According to the ancient Constitution of Britain the civil law is supreme over the military, and they have and should have the right of recourse to the civil law and to any protection that it can give. United Kingdom soldiers in this country are protected in this way. Dominion soldiers in their own country are protected in this way, and it is wrong that Dominion soldiers in the United Kingdom and United Kingdom soldiers in the Dominions should be deprived of this protection. When we remember that an ex-Lord Chancellor, an ex-Lord Chief Justice, Lord Reading, and one of the most distinguished of our Law Lords, Lord Atkin, should have stated in Parliament and out of it, by speech or vote, that they consider this provision wrong,

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and that the right of habeas corpus should be maintained, I hope the House will support the Amendment of my hon. and learned Friend.

10.40 p.m.

The SOLICITOR-GENERAL (Sir Boyd Merriman): The hon. and learned Member for Bristol, East (Sir S. Cripps) said that this was a point of the most profound importance. I must remind him that when we were debating the Second Reading of the Bill, although he was in the House and speaking a few moments before the Bill came on, he left us to our deliberations unassisted. The hon. Member for South-East Leeds (Major Milner) was a Member of the Select Committee. He has put his name to the Amendment, but he did not attend the Select Committee. But the fact that the Amendment has been put down has enabled a new protagonist to enter the lists in the person of the right hon. Member for Darwen (Sir H. Samuel). He has this advantage over me, that I have already spoken twice on the subject and I cannot expect to say anything new about it. But I agree with the hon. and learned Member for East Bristol that this is a matter of profound importance. The whole question is what is the point that is of profound importance. If I am asked whether the Clause as it now stands does make an exception in the Habeas Corpus Act I say at once that it does. I admit that now if a Canadian soldier comes to this country with a detachment from Canada he could theoretically invoke the Habeas Corpus Act if any court martial exceeded its jurisdiction, and I admit that after the Bill is passed he will not be able to do so.

But, as I ventured to remind the House on Second Reading, during the last 50 years or more since the Army Act has existed in its present form no single successful application for a writ of habeas corpus has been applied for. I agree that that may not in itself be an overwhelming argument, but I would invite the Committee to consider it as showing the sort of area in which we are discussing the importance of these habeas corpus proceedings. The point of constitutional importance, as I see it, is quite a different one. It is the propriety of acceding to the request of the self-governing Dominions, whose constitutional status, after all, is recognised rather than granted by the Statute of Westminster, that the same privileges should be accorded to their visiting forces as are by the comity of nations accorded as between Sovereign States. That is the real principle, as I see it, involved in these discussions, and I am bound to say that I was amazed to hear the hon. and learned Member use phrases like this, "This is a purely domestic matter," "No question of international consideration comes into it at all," "It is the first time in our history that any person resident in this country has been deprived of the right to apply for a writ of habeas corpus."

I profoundly disagree with him. By the comity of nations any foreign troops coming here by the invitation of our Sovereign are accorded exclusive jurisdiction over their own discipline. I am not going to weary the Committee with detailed extracts, but will they allow me to quote one passage from a judgment of Chief Justice Marshall, of the United States of America, on this very point over 100 years ago, which I understand has been acknowledged to be the law by international comity ever since? He pointed out that there were three main exceptions to the sovereign power of any State within its own territory. The first is that the person of a foreign Sovereign visiting a State is immune from any arrest or anything of that sort, and the second that the diplomats, the ambassadors, of a foreign Sovereign on the same principle are immune; and then he goes on, if I may read a couple of sentences:

> "The third case in which a Sovereign is understood to cede a portion of his territorial jurisdiction is where he allows the troops of a foreign Prince to pass through his Dominions. In such cases, without any express declaration waiving jurisdiction over the army to which this right of passage has been granted, the Sovereign who should attempt to exercise it would certainly be considered as violating his faith."

Then, after another passage which does not matter, he says:

> "The grant of a free passage, therefore, implies a waiver of all jurisdiction over the troops during their passage, and permits a foreign general to use that discipline and to inflict those punishments which the government of his army may require."

Writers on international law make it quite clear that in those cases, particularly in the case of a warship, there is no question of the issue of a writ of habeas corpus directed to the commander of a ship or anyone in the ship. When it is said that no one resident in this country has ever been deprived before of the right of applying for a writ of habeas corpus, the same thing is true if some foreigner who is imprisoned in the embassy of his country were to complain that he was illegally imprisoned and invoked the Habeas Corpus Act; our courts would not entertain the claim at all. After all, it is said that this was only used in this country in connection with the American troops during the War. But this very principle was at the foundation of the jurisdiction of our own Army in the War to manage the affairs of the British Expeditionary Force in France. We did not require any new law to enable our own people to run their own courts-martial entirely without any sanction from French law, and the same thing applied to other nations during the War. That being so, I venture to submit to the House that the principle with which we are concerned is this: Of course the Dominions which are asking us to pass this Bill are not and do not wish to be regarded as foreign countries; of course not. But we have already accorded to them a constitutional status which, as far as practical matters are concerned, is in many respects indistinguishable from that which foreign sovereign States enjoy. For example, they have got complete fiscal independence and complete control over immigration into their country. Similarly they raise their Forces and they pay for their Forces, and if any portion of their Forces comes on a visit to this country, it comes here on our invitation and not by our orders, in precisely the same way as a French force might come to take part in some tournament or whatever it might be. In that respect they are on exactly the same practical footing as if they were a foreign Force.

Mr. HOLFORD KNIGHT: Does the hon. and learned Gentleman mean to suggest that any visiting soldier or sailor, from whatever place he came, who had committed an offence would not be triable?

The SOLICITOR-GENERAL: If the hon. Gentleman means that if one soldier or one sailor, straying away from the force of which he is a member, committed an offence against our laws, he would be triable, certainly; yes; but as long as he is here as a member of a visiting force and remains a part of that force, that force has exclusive jurisdiction over him. That is precisely what the self-governing Dominions are asking shall be the case in regard to their forces. We are talking only about organised bodies who come to this country in order to take part in tournaments and so on, and they have asked for themselves that the same status shall be accorded to them as is accorded, by universal international law, in the case of French or German troops in the same circumstances. I am bound to submit to the House that the propriety of granting that request, when we have granted everything else to the Dominions, seems to me to outweigh altogether what, after all, is a very small infraction of the principle underlying the Habeas Corpus Act.

10.52 p.m.

Major MILNER: May I say one word in answer to the Solicitor-General? As I understand it, his argument in the first place was directed to endeavouring to persuade the House to believe that this Bill ought to pass because it was suggested that the point was but a little one. That seems the sort of argument that is often advanced—if I may say so without any intention of offending the hon. and learned Gentleman—when a pettifogging thief in any sessional court in the country pleads that the particular breach was but a little one. In point of fact, the breach which is being made in this inherent right is indeed a most serious one, and it is remarkable that the National Government should be the first to attempt to make that breach.

The second point that the hon. and learned Gentleman made was that foreign forces were accorded exclusive jurisdiction over their own forces in this country. As I understand it, with very few exceptions —and the question of the immunity of an ambassador is one of them for very obvious and special reasons—any foreigner or alien in this country to-day can ask for a writ of habeas corpus and bring the matter before the courts. Are we going to permit worse treatment to be given to soldiers from British Dominions overseas than we grant to foreigners and aliens in this country? Are we going to

[Major Milner.]

refuse the protection we have always given to foreigners in this country—as we shall if we pass this Bill to-night—to our own Dominion soldiers coming to us from overseas and are we going to take any part or lot in taking away that protection from our own soldiers of our own forces visiting the Dominions? I suggest this is a most serious matter and one which deserves the very full and earnest consideration of all the Members of this House. Certainly it should not be passed without some modifying phrase or Amendment such as is suggested. Just before I came into the House I looked up Blackstone's Commentaries, and I saw there that the right of a person to a writ of habeas corpus and the right of personal liberty is defined as a doctrine coeval with the first rudiments of the English constitution, handed down to us from our ancestors, asserted after the Conquest, reaffirmed by the Conqueror himself and established on a firm basis by the provisions of Magna Charta and a long succession of Statutes since. I hope that the House will uphold those rights, privileges and traditions which have been handed down over that long period of time.

10.55 p.m.

Mr. DINGLE FOOT: With all respect, I do not think the contention of the Solicitor-General on the point of international law can be upheld. If a foreign force were passing through this country, or were quartered in this country; if a member of that force were imprisoned by a court-martial, acting in excess of jurisdiction, and if a friend of the imprisoned man were to apply to the High Court for a writ of habeas corpus, is it to be supposed for one moment that the Judges would refuse to issue that writ on any ground of international law? I quote the best authority I can find—Lord Birkenhead—who in his monumental work on international law says that "probably the British practice is accurately stated in the two following propositions." The first which bears directly on this question is:

> "International law is not administered by municipal tribunals unless it has been adopted by the State legislature and such adoption will not be presumed."

It seems to be clear that the courts would not for a moment listen to this argument about international law, if a foreign soldier were to apply for a writ of habeas corpus in the circumstances which I have described. Secondly, what is this doctrine of international law upon which so much stress is laid? I read closely the Debates on this subject in another place, and I have listened to the Debates in this House, and I think that this argument about international law is practically the only serious argument which has been advanced in resisting Amendments to the Bill. As I understand the principle of international law, it is simply that if a foreign army is quartered in this country, a member of that army is subject exclusively to his own military tribunal in respect of what may be termed camp offences, that is, offences committed when he is within a camp or fortress or actually on duty as a soldier. But suppose he goes on a day's leave outside the area of the camp or fortress and commits an offence, then he is amenable to the jurisdiction of the civil courts of this country. It is complete nonsense to talk about exclusive jurisdiction belonging to his own military courts.

The PARLIAMENTARY SECRETARY to the TREASURY (Captain Margesson) *rose in his place, and claimed to move,* "That the Question be now put."

Question put, "That the Question be now put."

The House divided: Ayes, 237; Noes, 65.

Division No. 72.] AYES. [11.0 p.m.

Acland-Troyte, Lieut.-Colonel
Adams, Samuel Vyvyan T. (Leeds, W.)
Agnew, Lieut.-Com. P. G.
Allen, Sir J. Sandeman (Liverp'l, W.)
Anstruther-Gray, W. J.
Aske, Sir Robert William
Astor, Maj. Hn. John J. (Kent, Dover)
Atkinson, Cyril
Baldwin-Webb, Colonel J.
Balniel, Lord
Barrie, Sir Charles Coupar
Bateman, A. L.
Beauchamp, Sir Brograve Campbell
Beaumont, M. W. (Bucks., Aylesbury)
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Bennett, Capt. Sir Ernest Nathaniel
Birchall, Major Sir John Dearman
Bird, Ernest Roy (Yorks., Skipton)
Blindell, James
Boulton, W. W.
Bowyer, Capt. Sir George E. W.
Braithwaite, J. G. (Hillsborough)
Briscoe, Capt. Richard George
Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Col. D. C. (N'th'l'd, Hexham)
Brown, Ernest (Leith)
Brown, Brig.-Gen. H.C.(Berks.,Newb'y)
Browne, Captain A. C.
Burghley, Lord
Burgin, Dr. Edward Leslie
Burnett, John George
Cadogan, Hon. Edward
Campbell, Edward Taswell (Bromley)
Campbell-Johnston, Malcolm
Caporn, Arthur Cecil

Carver, Major William H.
Castlereagh, Viscount
Cayzer, Sir Charles (Chester, City)
Cazalet, Thelma (Islington, E.)
Cecil, Rt. Hon. Lord Hugh
Chorlton, Alan Ernest Leofric
Christie, James Archibald
Churchill, Rt. Hon. Winston Spencer
Clayton, Dr. George C.
Cobb, Sir Cyril
Colman, N. C. D.
Colville, Lieut.-Colonel J.
Conant, R. J. E.
Cook, Thomas A.
Cooper, A. Duff
Copeland, Ida
Courtauld, Major John Sewell
Courthope, Colonel Sir George L.
Craven-Ellis, William
Crooke, J. Smedley
Crookshank, Col. C. de Windt (Bootle)
Crookshank, Capt. H. C. (Gainsb'ro)
Cross, R. H.
Cruddas, Lieut-Colonel Bernard
Davies, Maj. Geo. F.(Somerset,Yeovil)
Dawson, Sir Philip
Drewe, Cedric
Duncan, James A. L. (Kensington, N.)
Dunglass, Lord
Eastwood, John Francis
Ellis, Sir R. Geoffrey
Elliston, Captain George Sampson
Elmley, Viscount
Emrys-Evans, P. V.
Entwistle, Cyril Fullard
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Ford, Sir Patrick J.
Forestier-Walker, Sir Leolin
Fox, Sir Gifford
Fremantle, Sir Francis
Ganzoni, Sir John
Gibson, Charles Granville
Gillett, Sir George Masterman
Glossop, C. W. H.
Goodman, Colonel Albert W.
Gower, Sir Robert
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Graves, Marjorie
Greene, William P. C.
Gretton, Colonel Rt. Hon. John
Grimston, R. V.
Gunston, Captain D. W.
Guy, J. C. Morrison
Hanbury, Cecil
Hanley, Dennis A.
Harbord, Arthur
Hartington, Marquess of
Heilgers, Captain F. F. A.
Hope, Capt. Hon. A. O. J. (Aston)
Hornby, Frank
Horsbrugh, Florence
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M.(Hackney,N.)
Hume, Sir George Hopwood
Hutchison, W. D. (Essex, Romford)
Inskip, Rt. Hon. Sir Thomas W. H.
Iveagh, Countess of
Jamieson, Douglas
Jennings, Roland
Johnston, J. W. (Clackmannan)
Jones, Lewis (Swansea, West)
Ker, J. Campbell
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Kimball, Lawrence
Kirkpatrick, William M.
Lamb, Sir Joseph Quinton
Law, Richard K. (Hull, S.W.)
Leech, Dr. J. W.
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Liddall, Walter S.
Lindsay, Noel Ker
Lockwood, John C. (Hackney, C.)
Loder, Captain J. de Vere
Lovat-Fraser, James Alexander
MacAndrew, Lt.-Col C. G. (Partick)
MacAndrew, Capt. J. O. (Ayr)
McCorquodale, M. S.
MacDonald, Malcolm (Bassetlaw)
McKie, John Hamilton
Maclay, Hon. Joseph Paton
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Macmillan, Maurice Harold
Makins, Brigadier-General Ernest
Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. R.
Marsden, Commander Arthur
Martin, Thomas B.
Mason, Col. Glyn K. (Croydon, N.)
Mayhew, Lieut.-Colonel John
Merriman, Sir F. Boyd
Mills, Major J. D. (New Forest)
Mitcheson, G. G.
Molson, A. Hugh Elsdale
Moreing, Adrian C.
Morgan, Robert H.
Morris-Jones, Dr. J. H. (Denbigh)
Morrison, William Shepherd
Muirhead, Major A. J.
Nall, Sir Joseph
Nation, Brigadier-General J. J. H.
Newton, Sir Douglas George C.
Nicholson, Godfrey (Morpeth)
Nicholson, Rt. Hn. W. G. (Petersf'ld)
North, Captain Edward T.
Nunn, William
O'Donovan, Dr. William James
Oman, Sir Charles William C.
Ormsby-Gore, Rt. Hon. William G. A.
Palmer, Francis Noel
Patrick, Colin M.
Pearson, William G.
Penny, Sir George
Percy, Lord Eustace
Perkins, Walter R. D.
Petherick, M.
Peto, Sir Basil E. (Devon, Barnstaple)
Peto, Geoffrey K.(W'verh'pt'n, Bilston)
Pickford, Hon. Mary Ada
Pike, Cecil F.
Powell, Lieut.-Col. Evelyn G. H.
Procter, Major Henry Adam
Raikes, Henry V. A. M.
Ramsay, Alexander (W. Bromwich)
Ramsay, Capt. A. H. M. (Midlothian)
Ramsay, T. B. W. (Western Isles)
Ramsden, Sir Eugene
Ratcliffe, Arthur
Ray, Sir William
Reed, Arthur C. (Exeter)
Reid, James S. C. (Stirling)
Reid, William Allan (Derby)
Remer, John R.
Roberts, Sir Samuel (Ecclesall)
Ropner, Colonel L.
Rosbotham, Sir Samuel
Ross, Ronald D.
Ross Taylor, Walter (Woodbridge)
Ruggles-Brise, Colonel E. A.
Runge, Norah Cecil
Russell, Albert (Kirkcaldy)
Rutherford, Sir John Hugo (Liverp'l)
Salmon, Sir Isidore
Salt, Edward W.
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Sanderson, Sir Frank Barnard
Savery, Samuel Servington
Selley, Harry R.
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Shepperson, Sir Ernest W.
Skelton, Archibald Noel
Smith, R. W. (Aberd'n & Kinc'dine, C.)
Smith-Carington, Neville W.
Smithers, Waldron
Somervell, Donald Bradley
Somerville, Annesley A. (Windsor)
Somerville, D. G. (Willesden, East)
Soper, Richard
Sotheron-Estcourt, Captain T. E.
Spears, Brigadier-General Edward L.
Stanley, Lord (Lancaster, Fylde)
Stevenson, James
Storey, Samuel
Strauss, Edward A.
Sugden, Sir Wilfrid Hart
Sutcliffe, Harold
Templeton, William P.
Thomas, James P. L. (Hereford)
Thomson, Sir Frederick Charles
Touche, Gordon Cosmo
Train, John
Wallace, Captain D. E. (Hornsey)
Wallace, John (Dunfermline)
Ward, Irene Mary Bewick (Wallsend)
Ward, Sarah Adelaide (Cannock)
Warrender, Sir Victor A. G.
Wedderburn, Henry James Scrymgeour-
Wells, Sydney Richard
Whiteside, Borras Noel H.
Whyte, Jardine Bell
Williams, Herbert G. (Croydon, S.)
Wilson, G. H. A. (Cambridge U.)
Windsor-Clive, Lieut.-Colonel George
Wolmer, Rt. Hon. Viscount
Womersley, Walter James
Worthington, Dr. John V.

TELLERS FOR THE AYES.—
Lieut.-Colonel Sir A. Lambert Ward and Commander Southby.

NOES.

Acland, Rt. Hon. Sir Francis Dyke
Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Batey, Joseph
Bevan, Aneurin (Ebbw Vale)
Bevan, Stuart James (Holborn)
Brown, C. W. E. (Notts., Mansfield)
Buchanan, George
Cape, Thomas
Cove, William G.
Cripps, Sir Stafford
Curry, A. C.
Daggar, George
Davies, David L. (Pontypridd)
Davies, Rhys John (Westhoughton)
Dobbie, William
Edwards, Charles
Evans, David Owen (Cardigan)
Evans, R. T. (Carmarthen)
Foot, Dingle (Dundee)
George, Major G. Lloyd (Pembroke)
Greenwood, Rt. Hon. Arthur
Grenfell, David Rees (Glamorgan)
Griffith, F. Kingsley (Middlesbro',W.)
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Haslam, Sir John (Bolton)
Hills, Major Rt. Hon. John Waller
Hirst, George Henry
Holdsworth, Herbert
Janner, Barnett
Jones, Sir G. W. H. (Stoke New'gton)
Jones, Henry Haydn (Merioneth)
Jones, Morgan (Caerphilly)
Kirkwood, David
Knight, Holford
Lansbury, Rt. Hon. George

Lawson, John James
Leonard, William
Little, Graham-, Sir Ernest
Llewellyn-Jones, Frederick
Lunn, William
McEntee, Valentine L.
McGovern, John
McKeag, William
Mallalieu, Edward Lancelot
Mander, Geoffrey le M.
Mason, David M. (Edinburgh, E.)
Maxton, James
Milner, Major James
Morris, John Patrick (Salford, N.)
Parkinson, John Allen
Price, Gabriel
Rathbone, Eleanor
Rea, Walter Russell
Roberts, Aled (Wrexham)
Samuel, Rt. Hon. Sir H. (Darwen)
Stones, James
Tinker, John Joseph
Wedgwood, Rt Hon. Josiah
Williams, Edward John (Ogmore)
Williams, Thomas (York, Don Valley)
Wood, Sir Murdoch McKenzie (Banff)

TELLERS FOR THE NOES.—Mr. G. Macdonald and Mr. D. Graham.

Question put accordingly, "That those words be there inserted in the Bill."

The House divided: Ayes, 71; Noes, 232.

Division No. 73.] AYES. [11.9 p.m.

Acland, Rt. Hon. Sir Francis Dyke
Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Batey, Joseph
Bevan, Aneurin (Ebbw Vale)
Bevan, Stuart James (Holborn)
Braithwaite, J. G. (Hillsborough)
Brown, C. W. E. (Notts., Mansfield)
Buchanan, George
Cape, Thomas
Churchill, Rt. Hon. Winston Spencer
Cripps, Sir Stafford
Curry, A. C.
Daggar, George
Davies, David L. (Pontypridd)
Davies, Rhys John (Westhoughton)
Dobbie, William
Edwards, Charles
Evans, David Owen (Cardigan)
Evans, R. T. (Carmarthen)
Foot, Dingle (Dundee)
George, Major G. Lloyd (Pembroke)
Greenwood, Rt. Hon. Arthur
Grenfell, David Rees (Glamorgan)
Griffith, F. Kingsley (Middlesbro', W.)
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Hanbury, Cecil
Hills, Major Rt. Hon. John Waller
Hirst, George Henry
Holdsworth, Herbert
Janner, Barnett
Jennings, Roland
Jones, Sir G. W. H. (Stoke New'gton)
Jones, Henry Haydn (Merioneth)
Jones, Morgan (Caerphilly)
Kirkwood, David
Knight, Holford
Lansbury, Rt. Hon. George
Lawson, John James
Leonard, William
Little, Graham-, Sir Ernest
Llewellyn-Jones, Frederick
Lunn, William
McEntee, Valentine L.
McGovern, John
McKeag, William
Magnay, Thomas
Mallalieu, Edward Lancelot
Mander, Geoffrey le M.
Mason, David M. (Edinburgh, E.)
Maxton, James
Milner, Major James
Nall, Sir Joseph
Parkinson, John Allen
Price, Gabriel
Rathbone, Eleanor
Rea, Walter Russell
Roberts, Aled (Wrexham)
Samuel, Rt. Hon. Sir H. (Darwen)
Shepperson, Sir Ernest W.
Thorp, Linton Theodore
Tinker, John Joseph
Wedgwood Rt. Hon. Josiah
Williams, Edward John (Ogmore)
Williams, Thomas (York, Don Valley)
Winterton, Rt. Hon. Earl
Wood, Sir Murdoch McKenzie (Banff)

TELLERS FOR THE AYES.—Mr. G. Macdonald and Mr. D. Graham.

NOES.

Acland-Troyte, Lieut.-Colonel
Adams, Samuel Vyvyan T. (Leeds, W.)
Agnew, Lieut.-Com. P. G.
Allen, Sir J. Sandeman (Liverp'l, W.)
Anstruther-Gray, W. J.
Aske, Sir Robert William
Astor, Maj. Hn. John J. (Kent, Dover)
Atholl, Duchess of
Atkinson, Cyril
Balniel, Lord
Barrie, Sir Charles Coupar
Bateman, A. L.
Beauchamp, Sir Brograve Campbell
Beaumont, M. W. (Bucks., Aylesbury)
Beaumont, Hn. R. E. B. (Portsm'th, C.)
Bennett, Capt. Sir Ernest Nathaniel
Birchall, Major Sir John Dearman
Bird, Ernest Roy (Yorks., Skipton)
Blindell, James
Boulton, W. W.
Bowyer, Capt. Sir George E. W.
Boyd-Carpenter, Sir Archibald
Briscoe, Capt. Richard George
Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Col. D. C. (N'th'l'd, Hexham)
Brown, Ernest (Leith)
Brown, Brig.-Gen. H. C. (Berks., Newb'y)
Browne, Captain A. C.
Burghley, Lord
Burgin, Dr. Edward Leslie
Burnett, John George
Cadogan, Hon. Edward
Campbell, Edward Taswell (Bromley)
Campbell-Johnston, Malcolm
Caporn, Arthur Cecil
Carver, Major William H.
Castlereagh, Viscount
Cautley, Sir Henry S.
Cayzer, Sir Charles (Chester, City)
Cazalet, Thelma (Islington, E.)
Cecil, Rt. Hon. Lord Hugh
Chorlton, Alan Ernest Leofric
Christie, James Archibald
Clayton, Dr. George C.
Cobb, Sir Cyril
Colman, N. C. D.
Colville, Lieut.-Colonel J.
Conant, R. J. E.
Cook, Thomas A.
Cooper, A. Duff
Copeland, Ida
Courtauld, Major John Sewell
Courthope, Colonel Sir George L.
Craven-Ellis, William
Crooke, J. Smedley
Crookshank, Col. C. de Windt (Bootle)
Crookshank, Capt. H. C. (Gainsb'ro)
Cross, R. H.
Cruddas, Lieut.-Colonel Bernard
Davies, Maj. Geo. F. (Somerset, Yeovil)
Dawson, Sir Philip
Drewe, Cedric
Duggan, Hubert John
Duncan, James A. L. (Kensington, N.)
Dunglass, Lord
Eastwood, John Francis
Ellis, Sir R. Geoffrey
Elliston, Captain George Sampson
Elmley, Viscount
Emrys-Evans, P. V.
Entwistle, Cyril Fullard
Essenhigh, Reginald Clare
Ford, Sir Patrick J.
Forestier-Walker, Sir Leolin
Fox, Sir Gifford
Fremantle, Sir Francis
Ganzoni, Sir John
Gibson, Charles Granville
Gillett, Sir George Masterman
Glossop, C. W. H.
Goodman, Colonel Albert W.
Gower, Sir Robert
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Graves, Marjorie
Greene, William P. C.
Gretton, Colonel Rt. Hon. John
Grimston, R. V.
Gunston, Captain D. W.
Guy, J. C. Morrison
Hanley, Dennis A.
Harbord, Arthur
Hartington, Marquess of
Heilgers, Captain F. F. A.
Hope, Capt. Hon. A. O. J. (Aston)
Hornby, Frank
Horsbrugh, Florence
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M. (Hackney, N.)
Hume, Sir George Hopwood
Hutchison, W. D. (Essex, Romford)
Inskip, Rt. Hon. Sir Thomas W. H.
Iveagh, Countess of
Jamieson, Douglas
Johnston, J. W. (Clackmannan)
Jones, Lewis (Swansea, West)
Ker, J. Campbell
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Kimball, Lawrence
Kirkpatrick, William M.
Lamb, Sir Joseph Quinton
Law, Sir Alfred
Law, Richard K. (Hull, S.W.)
Leech, Dr. J. W.
Leighton, Major B. E. P.
Lennox-Boyd, A. T.

Liddall, Walter S.
Lindsay, Noel Ker
Lockwood, John C. (Hackney, C.)
Loder, Captain J. de Vere
Lovat-Fraser, James Alexander
MacAndrew, Lieut.-Col. C. G. (Partick)
MacAndrew, Capt. J. O. (Ayr)
McCorquodale, M. S.
MacDonald, Malcolm (Bassetlaw)
McKie, John Hamilton
Maclay, Hon. Joseph Paton
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Macmillan, Maurice Harold
Makins, Brigadier-General Ernest
Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. R.
Marsden, Commander Arthur
Martin, Thomas B.
Mason, Col. Glyn K. (Croydon, N.)
Mayhew, Lieut.-Colonel John
Merriman, Sir F. Boyd
Mills, Major J. D. (New Forest)
Mitcheson, G. G.
Molson, A. Hugh Elsdale
Moreing, Adrian C.
Morgan, Robert H.
Morris-Jones, Dr. J. H. (Denbigh)
Morrison, William Shephard
Muirhead, Major A. J.
Nation, Brigadier-General J. J. H.
Newton, Sir Douglas George C.
Nicholson, Godfrey (Morpeth)
Nicholson, Rt. Hn. W. G. (Petersf'ld)
North, Captain Edward T.
O'Donovan, Dr. William James
Oman, Sir Charles William C.
Ormsby-Gore, Rt. Hon. William G. A.
Palmer, Francis Noel
Patrick, Colin M.
Pearson, William G.
Penny, Sir George
Percy, Lord Eustace
Perkins, Walter R. D.
Petherick, M.
Peto, Sir Basil E. (Devon, Barnstaple)
Peto, Geoffrey K. (W'verh'pt'n, Bilst'n)
Pike, Cecil F.
Powell, Lieut.-Col. Evelyn G. H.
Procter, Major Henry Adam
Raikes, Henry V. A. M.
Ramsay, Alexander (W. Bromwich)
Ramsay, Capt. A. H. M. (Midlothian)
Ramsay, T. B. W. (Western Isles)
Ramsden, Sir Eugene
Ratcliffe, Arthur
Ray, Sir William
Reed, Arthur C. (Exeter)
Reid, William Allan (Derby)
Remer, John R.
Roberts, Sir Samuel (Ecclesall)
Ropner, Colonel L.
Rosbotham, Sir Samuel
Ross, Ronald D.
Ross Taylor, Walter (Woodbridge)
Ruggles-Brise, Colonel E. A.
Runge, Norah Cecil
Russell, Albert (Kirkcaldy)
Russell, Richard John (Eddisbury)
Rutherford, Sir John Hugo (Liverp'l)
Salmon, Sir Isidore
Salt, Edward W.
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Sanderson, Sir Frank Barnard
Savery, Samuel Servington
Selley, Harry R.
Shaw, Helen B. (Lanark, Bothwell)
Skelton, Archibald Noel
Smith-Carington, Neville W.
Smithers, Waldron
Somervell, Donald Bradley
Somerville, Annesley A (Windsor)
Somerville, D. G. (Willesden, East)
Soper, Richard
Sotheron-Estcourt, Captain T. E.
Southby, Commander Archibald R. J.
Spears, Brigadier-General Edward L.
Spencer, Captain Richard A.
Stanley, Lord (Lancaster, Fylde)
Stevenson, James
Storey, Samuel
Strauss, Edward A.
Sugden, Sir Wilfrid Hart
Sutcliffe, Harold
Templeton, William P.
Thomas, James P. L. (Hereford)
Thomson, Sir Frederick Charles
Touche, Gordon Cosmo
Train, John
Wallace, Captain D. E. (Hornsey)
Wallace, John (Dunfermline)
Ward, Irene Mary Bewick (Wallsend)
Ward, Sarah Adelaide (Cannock)
Warrender, Sir Victor A. G.
Wedderburn, Henry James Scrymgeour-
Wells, Sydney Richard
Whiteside, Borras Noel H.
Whyte, Jardine Bell
Williams, Herbert G. (Croydon, S.)
Wilson, G. H. A. (Cambridge U.)
Windsor-Clive, Lieut.-Colonel George
Womersley, Walter James
Worthington, Dr. John V.

TELLERS FOR THE NOES.—Lieut.-Colonel Sir A. Lambert Ward and Lord Erskine.

Bill to be read the Third time upon Thursday.

The remaining Orders were read, and postponed.

BENEFICES (PURCHASE OF RIGHTS OF PATRONAGE) MEASURE, 1933.

11.18 p.m.

Lord HUGH CECIL: I beg to move,

"That, in accordance with the Church of England Assembly (Powers) Act, 1919, this House do direct that the Benefices (Purchase of Rights of Patronage) Measure, 1933, be presented to His Majesty for Royal Assent."

We have this advantage to begin with, that I am moving a Motion which is recommended for adoption by the Ecclesiastical Committee of Parliament that consisted of 15 Members of this House and 15 Members of the other House, presided over by an eminent Judge and lawyer, Lord Warrington. I do not know whether we shall have from the learned Attorney-General any legal criticism, but I submit to the House that, whatever may be the value of the judgment of the Ecclesiastical Committee on the main principle of the Measure, they are to be trusted about the question of legal propriety and about whether the general character of the Measure interferes with general rights or not. Its approbation, therefore, from that point of view, is, I conceive, important. I think, however, that the House will decide, not on small criticisms of detail, but on the main principle of the Measure.

The principle of the Measure is simple. It is that parishioners, when the advowson has been transferred in such a way as to grant a patronage which they find profoundly unacceptable, should have the right to purchase the advowson back again on fair terms, determined by an arbitrator, and entrust it to the Central Diocesan Board of the diocese. The principle is that it is the right of the parishioners to be concerned about the patronage which is to determine the pastoral care of their spiritual well-being. The machinery also is simple. There must be a resolution of the parochial council, confirmed by a resolution of a meeting of the church electors of the parish, and then a proposal to purchase

[Lord H. Cecil.]

must be made. If after three months the parties cannot come to an agreement—as in general I hope they may—the matter will go to arbitration, the arbitrator being chosen from a panel of three set up by the Ecclesiastical Commission with the consent of the Lord Chancellor. The arbitrator will determine on the price to be paid for the advowson, and the transaction will be in that fashion concluded.

The Measure relates only to a certain period. I know that some people say that the period might have been much more extensive, while others say that no transaction which took place in the past ought to have been dealt with. The period chosen is the period during which advowsons are changing from being saleable to being unsaleable, under the provisions of the Measure of 1923, which was passed in 1924. That Measure provided that, after two further presentations, in the case of every advowson, that advowson should become unsaleable, the theory being that the value of the advowson depended on two presentations ahead, and that, therefore, if the owner were allowed to sell for two presentations ahead, he would realise what was substantially the value of his advowson as it stood.

I am sure that the House dislikes, and I know that the Attorney-General dislikes, the purchase of advowsons. In fact, the Attorney-General proposed to abolish altogether the sale of advowsons. But, although generally I sympathise with his dislike of the sale of advowsons, I thought that, as the property in advowsons has for so long been saleable, and the State has so fully recognised it, to abolish it without any compensation would involve an undue disregard of legitimate rights of property. Although I dislike exceedingly the idea of the cure of souls being a matter of property and saleable, nevertheless I think that strict justice should be done, and I conceive that that would not have been the case if all advowsons had been at a blow made unsaleable, as the Attorney-General proposed. Moreover, his solution of the difficulty would not really have relieved the grievance of parishioners who had had an advowson sold or given over their heads and so had had a form of patronage set up which was profoundly unacceptable to them. In that case, the parishioners have a right to a remedy. They are deeply concerned with that. It matters to them immensely who is or who is not the patron.

The patron certainly has a right to be compensated for any pecuniary loss but, apart from pecuniary loss, his concern in the matter is very much slighter than the parishioners, because a long period of years may follow during which the spiritual traditions of the parish are violated because an advowson has been purchased or given over the heads of the parishioners. It must be for years and it may be for many years. On the side of the patron, he is obliged to sell the right of appointment which he has had for a few years past but not more than nine. I am myself a member of a body to which advowsons are sometimes given. It does not buy them but they are given because of its particular religious traditions. I am, therefore, quite able to judge the feelings of those who are deeply attached to particular religious opinions and desire to exercise patronage in accordance with those opinions. I am a member of the Council of Keble College, which has a number of advowsons. If this Measure is passed and made to operate against one or two of the advowsons which have recently been given to it, I shall not feel the slightest sense of grievance. I cannot understand how any self-respecting patron, or body of patrons, can wish to exercise patronage if they know that patronage is profoundly unacceptable to the great mass of parishioners. What benefit is it to them, and what a mischief is it to the parishioners. It surely is equitable that the parishioners should have a remedy.

We are blamed because it is said that what we are doing is retrospective. It is not retrospective. We do not want to reverse any transaction that has taken place in the past. What we want is to relieve a present grievance that is felt in a number of parishes. We do not want to make anyone unhappy or to damage anyone. We think that if the parishioners have had imposed upon them, whether by gift or by sale, a form of patronage which is so profoundly unacceptable to them that they are ready to take the trouble to pass resolutions, collect money and purchase the advowson back again, that is a legitimate claim and they ought to have the right of relieving themselves from the grievance which has been imposed upon them and make the patronage such as is acceptable. Then some say it is not proper to give it to the Diocesan Board. The parishioners can choose. If they prefer the present patronage to the Diocesan Board, naturally they will not use the Bill. The Diocesan Board is representative of all schools of thought in the Church. It is not representative only of the Bishops. There are 10 members besides the Bishops, five clergy and five laymen. They are elected by the Diocesan Conference on the principle of proportional representation in order to ensure that all schools of thought shall be represented. What more impartial authority could you have? It would, indeed, be a grievance if you took it from the extreme Anglo-Catholic trust and gave it to the extreme Evangelical trust, and *vice versa*, but if you gave it to the Central Body you might reasonably have a moderate and reasonable consideration of the spiritual needs of the parish.

I think everyone would be unanimous in supporting this Measure, except that some people feel so keenly their own old religious conviction that they conceive themselves justified in doing what seems to me to be a harsh measure unto others in order to impose their religious opinion upon other people. They are so convinced that they are in the right; they are so certain that their religious conviction is the conviction of religious truth, that it seems to them quite legitimate to purchase or acquire the advowson, however little the parishioners like it, however unwilling the parishioners may be and however they may protest against it, in order to impose their particular feeling upon that parish in perpetuity. And what is really objectionable is that what is called the trust goes on for ever while every other form of patronage changes. You have a bishop who is succeeded by another bishop, and you have the individual proprietor who dies and whose heirs may be of a different kind. There is no perpetuity. The thing does not hold with patronage. If you have a trust it is for ever. I think that that ought not to be, except when the parishioners, at any rate, acquiesce and give their approval. That is really the point of the Measure.

If you think that it is legitimate to impose your religious opinion on a parish whether they like it or whether they do not like it, however much they may be indignant, then, I agree that you will disapprove of this Measure. If you think—as I do—that the parishioners have a real right to be concerned about the patronage of their benefice, if they are really entitled to be considered in the matter, then you will say that, given that the pecuniary rights of the patron are properly safeguarded and that he has a fair price for what he has to sell, they are perfectly entitled to buy the advowson back and so obtain relief from their grievance. This Measure will apply for a certain period; the period, that is to say, for which advowsons are usually sold. That period will be, I suppose, substantially for 15 or 20 years. I shall not then be a Member of this House, but I daresay that the Church Assembly and the House may contemplate some further dealing with the difficulties of patronage, which extend, of course, far beyond the confines of the present Measure. But in the meantime there is this transitional period which has its own danger and in which owners of advowsons may attempt to sell before it is too late. This Measure is put forward in order to meet the difficulties of that transitional period, and I believe that anyone who values the rights of parishioners in respect of patronage will vote for the Measure in order to be safe from having their advowson bought over their heads, in spite of their protests and without any right of redress.

11.35 p.m.

The ATTORNEY-GENERAL (Sir Thomas Inskip): I am sure the whole House will join with me when I say how delighted we are to welcome the Noble Lord back to his place in the House, and with what appreciation we have listened to his exposition of the Measure which he has commended to the House. I do not quarrel in the least—perhaps that is not putting it quite accurately—at any rate, in substance, I do not quarrel with his description of the Measure, but there are one or two points of detail on which I must attempt to qualify some of the things he said. I am not a consistent opponent of Church Measures brought to this House. I forget how many have been brought here, certainly well over a score. I have not agreed with many of

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them, or with some of them, but I have not spoken against them, with one exception, and I still think that my opposition on that occasion was not only justified but was acceptable to the great majority in this country. I say that, not in the least to go back upon a controversy which has nothing, or very little, to do with the present controversy, but lest anybody might say, as indeed my Noble Friend seemed to hint, that it was a little difficult for this House to reject a Measure which has come from the Church Assembly and has had the advantage, as he put it, of having been approved by the Ecclesiastical Committee of this House. This House was not the only House to reject a Measure from the Church Assembly. The other House rejected a Measure, the Shropshire Bishopric Measure, which most certainly concerned the Church more exclusively and in a much larger degree than this Measure concerns the Church exclusively. Again, I mention that act of another place lest it might be supposed by those who are unused to these Church Measures that there is something improper in our considering them on their merits.

The Measure as presented by my Noble Friend, as we should all expect, looks very well, but on closer examination I suggest that it will not bear the same attractive appearance as he, quite honestly, has made it seem to appear. My Noble Friend has said that the Measure will apply to all. In a sense it may be true that it will apply to all, but even if I accept that view it really would not reconcile me to the Measure. It seems to me no argument in favour of an injustice, if injustice be done, that the injustice is impartially distributed over the whole community. If it be wrong to apply the methods of this Measure to transactions which have taken place in the past, I cannot find any satisfaction in the fact that it will affect all alike. But I cannot help feeling some little doubt as to whether this Measure really is designed to fall alike on all, for I have received from some anonymous correspondent a circular, which is not anonymous, signed by a gentleman giving the name of Mr. Merit, with the heading: "Anglo-Catholic Group." This document is dated 17th February, 1933, and it says:

"I understand that the Benefices Measure is likely to be considered in the House of Commons shortly. I am advised that the most effective means of assisting its passage into law is for individuals to write to their own Members of Parliament asking them to be present in the House when the Measure is debated, and to vote in its favour. You might wish to write such a letter and try to persuade your friends to do the same. Each writer should use his or her own words, in order to avoid the appearance of a letter drawn up by some organisation for mass correspondence. All letters should be deposited by the end of February."

I am sure that no such invitation to what has been called mass correspondence has been sent out in connection with this Measure from any people who happen to hold the same views as myself. Some letters may have been written, but I doubt whether there has been any mass correspondence.

Lieut.-Commander AGNEW: I must contradict the right hon. and learned Gentleman. Letters have been sent out by such organisations, and I could give him the names if necessary.

The ATTORNEY-GENERAL: I accept the statement of the hon. and gallant Member and perhaps later on he will give me the reference and confirm his statement. I only mention this document emanating from the Anglo-Catholic group because it suggests that that group feels that it is not going to fall upon them. My group says that it will fall very hardly upon them. The hon. and gallant Member's group says that it is going to fall hardly upon them. Yet they ask for as much support of the Measure as is possible. There is an obvious difference between the two positions. But, quite apart from that, I ask the House to consider the Measure upon its merits. Consider the nature of the patronage of the Church of England. It is of a varied character. There is official patronage, private patronage, episcopal patronage, clerical patronage, and lay patronage, and on the whole it provides a variety of opinion and permits a certain elasticity, a certain adjustment of opinions in adjacent parishes. It enables people to find a church, according to their desire, in which they may worship. To my mind, nothing could be more disastrous than to embark on a course of concentrating patronage of this country in the hands of what I may call official patrons. I must remind the House that the Diocesan Board of Patronage is presided over by the Bishop of the Diocese and it is naturally and properly sensitive to the wishes and directions of the bishop of the diocese. It is largely composed of persons who represent what I may call the official trend in the particular diocese concerned. No one can deny that, least of all the Noble Lord.

Lord H. CECIL: There is Mr. Barker, who the right hon. and learned Gentleman knows is a strong Evangelical churchman.

The ATTORNEY-GENERAL: I am myself a member of the Diocesan Conference, but my disadvantage is that I am one of two as against 10 of the opposite opinion, and it is obvious that my chances are not very great. I am not complaining on the score that Evangelicals are not well represented, it is true, but it does not affect my argument. My argument is that it is not in the interests of the Church of England that patronage should be concentrated in official hands. If we had a wholly different system in which episcopal patronage was the rule it might have its advantages, or, if we had the Scottish system in which the congregation were the patrons of their own churches, that might be of advantage, but as we have neither system, it is better, broadly speaking, that we should preserve it in its essential principles.

Colonel CROOKSHANK: If one belongs to the Episcopal Church, surely one would follow the rule and guidance of the bishop.

The ATTORNEY-GENERAL: I do not follow the relevancy of the interruption of the hon. and gallant Member. I was merely citing the Scottish system of patronage in comparison with our own system. The two are widely different. But let us recognise what has been done in connection with patronage. In more than one quarter we have heard arguments that this Measure increases the rights of the parishioners, that it gives the parishioners a voice in the appointment of their own incumbents. A few years ago it may have been true to say that the parishioners or local church council were powerless in face of the patron. That can no longer be said. By a Measure passed in 1931 the parochial church council were given the power of imposing a temporary veto upon the appointment of any incumbent who was uncongenial to them, and there is a right of appeal to the Bishop and from the Bishop to the Archbishop, who in that way may prevent a patron from imposing an unwelcome incumbent upon an unwilling congregation.

I am not aware that sufficient attention has been given to this feature of the present patronage system. The whole burden of my Noble Friend's speech this evening was that patrons had bought their right of patronage, and are now in a position—to use his own words—to impose or force their opinions upon the unhappy parishioners. That is not really true; they are not in a position to impose an unwelcome incumbent upon unwilling parishioners unless the consent of the Bishop or the Archbishop to the action of the patron has been obtained. That remarkable qualification of the one-time powers of the patron deserves to be borne in mind when one is trying to weigh up the necessity for this Measure and the advantages to the parishioners. Now it is said that this Measure is intended to remedy the parishioners' grievances. I take leave to say that there is a certain speciousness in that argument, which is the result of confounding two things which are not always the same—the parishioners and the parochial church council. I am aware that many a parochial church council may disagree with the appointment made by the patron, but it very often happens that the appointment made by the patron is the salvation of the parishioners and that the parochial church council do not truly represent the parishioners. Everyone knows that a churchman, high or low, can often, within two or three years, obtain a parochial church council that is a reflection of his own opinions. Sometimes a High Churchman, sometimes an Evangelical, empties a church in the process. We remember the cases in the North of England lately, where the appointment of an unwelcome incumbent has had unseemly consequences, resulting in brawling, sometimes inside and sometimes outside the church. What I do want to represent to the House is that it is not accurate to suppose that because the parochial church council for the time being objects to an incumbent that therefore he is unwelcome to the whole of the parishioners. One has to

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remember, whether it be the parochial church council which has the grievance, or the parishioners or the outgoing vicar, in every single case there is this right of appeal to the Bishop to protect them against an unauthorised and unjust use of his powers by the patron.

Let me assume that the grievance is felt as the consequence of the purchase of advowsons. Against whom ought the grievance to be most strongly felt? Is it against the man who sold the advowson or against the man who stood by and allowed the advowson to be put up to sale and did not spend his money to buy it or against the man, however fanatical he may be, who, at any rate, stepped in and bought it? Let the House understand I am not defending the sale of patronage. The Noble Lord has justly said that I have consistently opposed it for years. I have spoken in the Assembly against the sale of advowsons. At last, goaded by the inaction of those whom I hoped and believed would have taken steps to abolish the sale of this spiritual duty, I myself moved and my Noble Friend the Member for Aldershot (Viscount Wolmer) opposed the Measure on the ground that I was proposing an interference with the sacred rights of property. I was no more proposing an interference with the sacred rights of property than this House was when it abolished the rotten boroughs without compensation. Be that as it may, I mention it, because it illustrates the radical difference of opinion between my Noble Friend and myself in approaching this question.

I do not view the right of patronage as a right of property. I regard it as a trust. [HON. MEMBERS: "Hear, hear!"] My Noble Friend says, "Hear, hear," but really it does not lie in his mouth to deal with it as a trust, because he persuaded the Church Assembly to resist my proposal—with which he said he had a great deal of sympathy—on the sole ground that I was interfering with the rights of property which had existed for eight hundred years. I disagree with my Noble Friend *in toto* on that point. I regard it as an affront to the parishioner that the right of property has been sold over his head. I am quite willing to concede, and I have always recognised in my objection to the sale of advowsons, that the sale does cause a grievance that rankles in the minds of people whose advowsons have been sold over their heads, but if that injustice and that grievance exists, is there any hon. Member who will tell me that it justifies a Measure to deprive the existing trustees, who have not bought their patronage, of their position as trustees in order that another body of trustees may be substituted, because that is what this Measure is doing?

Let me concede to my Noble Friend, for the purpose of argument, that the fact that in a few cases, whether it be a score or two score out of the ten thousand benefices which exist in the country, there has been a purchase of advowsons, as he put it, over the heads of the parishioners and the Parochial Church Council. Then let a Measure be framed to deal with that injustice or that grievance. I do not know whether it is possible, but will anybody tell me that it is a justification, or that the desire to remove it is a justification, for depriving the trustees, who have committed no breach of trust, of their position as trustees—for what purpose? That another body of trustees should be substituted? [HON. MEMBERS: "Impartial ones!"] Let me try to deal with the question, because the House is likely to be confused over the proposals of this Measure. After all, it is the fifth Measure which has proceeded from the Church Assembly dealing with patronages. That does indicate a little want of due caution on the part of that distinguished body, and I am not surprised that hon. Members find difficulty in dealing with this question. The point which I would put to the House is this. Regarding the position of patrons as that of trustees, I cannot see how anyone, in the absence of any breach of trust, can defend the displacement of one set of trustees in order to substitute another, even though the others are elected.

Mr. GODFREY NICHOLSON: Does the right hon. and learned Gentleman mean breach of trust to the fellow-trustees or to the parishioners?

The ATTORNEY-GENERAL: I use the words in their fullest sense. I am assuming that the existing trustees have not sought to make private profit out of their position as trustees. The effect of this Measure is to enable, shall I say, a rich and well-disposed person to provide money for the parochial church council in order that that council may claim to exercise its right to purchase and thus secure for the diocesan board, patronage which properly belongs to the private patron who is trustee. I know of scores of cases—I have checked the figures—in which private patrons, as a result of the break-up of their estates and their unwillingness to profess to be able to carry out a duty which is becoming very burdensome owing to the present shortage of clergy and smallness of livings, have given their advowsons to existing trustees for the purpose of appointing in the terms of trust deeds—illustrations of which I have copied out —" a fit and pious person, of Godly life and conversation, being in holy orders." If they had not made those gifts, those persons would not have been subject to the operations of this Measure. But in order to make the duty of appointing clergymen one which would be as perfectly performed as possible they have given it over to other persons and, immediately, that patronage comes within the scope of the Measure, and it is possible for a parochial council inspired it may be by some wealthy friend, to expropriate the trusteeship of the existing trustees and transfer it to the diocesan board.

If the House really understands that such is the effect of the Measure—though I quite agree that it is not the main aim of the Measure—I cannot persuade myself that the House will accede to such an injustice as I deem that to be. The Measure is far wider than it was ever intended to be. When the "Times" newspaper was commending this Measure to the Church Assembly it desribed it on two separate dates as a Measure the full aim of which was to remove actual grievances now felt by many parishes where advowsons had been subject to recent purchase. [HON. MEMBERS: "Hear, hear!"] But it goes far beyond that. That is my whole point. If it were limited to that end I should not be opposing the Measure in this House to-night. An Amendment was moved in the Church Assembly to omit those cases where private patrons had transferred by gift their trusteeship——

Lord H. CECIL: How are you to distinguish gift from purchase?

The ATTORNEY-GENERAL: My Noble Friend asks how are we to distinguish gift from purchase. If that means that we cannot do what he wants without committing an injustice, my answer is that you cannot distinguish and you cannot bring in your Measure. It does not seem to be any answer to my point to say that in as much as we cannot distinguish gift from purchase, therefore we must include gifts, which we do not desire to include, in order to include sales which we do desire to include.

Lord H. CECIL: It is unfair to the parishioners whether it is a gift or a purchase. A purchase may be more odious, but a gift over the heads of the parishioners, is just as unfair to them.

The ATTORNEY-GENERAL: I am very astonished at the lengths to which my Noble Friend's own argument drives him. Apparently, he regards it as an affront to the parishioners that——

Lord H. CECIL: It is not a Measure to remedy a past wrong, but to remedy a present grievance.

The ATTORNEY-GENERAL: I cannot answer my Noble Friend's arguments if he interrupts me half way through every sentence. I am surprised that he should be driven to the length of saying that it is an affront to the parishioners, or to the parochial church council, to find a patron appointing, by way of gift, new trustees to exercise the duty which he feels himself unable properly to carry out, having regard, it may be, to his age or to some other consideration.

I place myself in opposition to this Measure on three principles. I say that it enables trustees to be removed against their will in favour of other trustees, although no breach of trust has been committed by them. That is wrong. No argument of expediency will persuade me that it is right. You can only proceed with that argument if you are determined to confiscate somebody's rights. The second principle is that it makes the matter no better, but rather the worse, if my Noble Friend tells me that the trustees are to be compensated for what they are to be forced to give up. Is it not an affront to tell a man that he is to receive money for what has no money's

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worth in his estimation? His duty is the performance of a solemn trust. I am speaking of cases of gift, and leaving out purchase at the moment. You tell that man, as trustee, that he must surrender his duty as trustee, and you try to make it better for him by telling him that you will pay him a sum of money if he surrenders. The sum of money will be assessed by a gentleman who will be appointed by a bishop, and will be the chairman of the board of patronage and will say to whom the patronage should be transferred. He is to be chosen from a panel of three persons. If I am wrong in my conclusion, I shall fully accede to what my Noble Friend may say. The payment of compensation money to a trustee does not improve the position one whit, but seems to make it infinitely worse. I lay this before the House: Here is a trustee who is in a position to receive compensation, as I am, in many cases. If this Measure is made operative against me, what am I to do with the money? I have not power to use it; I should have to go to the courts or to the charity commissioners to have a scheme approved to spend the money which has been forced upon me by the operation of my Noble Friend's Measure.

The third principle on which I base my opposition is the retrospective character of the Measure. That is wholly objectionable to every principle of sound legislation. I am surprised at the way in which some hon. Members overlook this objection. My Noble Friend says that the Measure is not to remedy a past wrong, but a present grievance. Present grievances are nearly always caused by past wrongs. People who want to find an excuse for retrospective legislation almost invariably point to some existing grievance. I cannot lend my support to the transaction that is made by way of purchase. It would be contrary to the principles which my party have always respected, that we should tear up contracts by way of gift legally entered into at the time they were made and acted upon in such a way as to make the advowsons unsaleable, at the instigation of a Measure passed by the Church Assembly. Many a transferee has accepted the gift and made a declaration of unsaleability, and this Measure comes along retrospectively and says that that acquisition, that patronage, shall be saleable at the instance of the parochial church council or of persons who may use the vehicle of the church council. While my Noble Friend agrees that it should be retrospective, so friendly a supporter of the Measure as the "Times" pointed out on the 6th February that retrospective legislation of this kind has obvious drawbacks; and again in June the "Times" pointed out that the retrospective character of the Measure involves a number of obvious dangers. I take the same view.

I might detain the House with what I think is the view of Evangelical Christians of this country. I do not propose to discuss these matters here in this case; I do not think that the House desires it or that it will be helped by it. I base my view on something much deeper than a discussion of that sort or of differences of religious opinion. I base myself on the broad principle that even removing a partial wrong in some cases cannot do anything to remedy that wrong if it encourages people to perpetuate other injustices. I regard the taking away from patrons of their existing rights as a grave injustice which will cause affront to a number of people who have committed no wrong.

It may be that the House will pass the Measure and that the weight of support which it has received from notable quarters will persuade hon. Members that it must be right, and that the dislike that many Members feel for the actions of some patrons, some persons who have bought patronage, will blind them to every other consideration of justice or equity. It will be a Pyrrhic victory, if victory there be. I venture to say that, if the House passes the Measure, the day is likely to come when the Church of England will bitterly regret that it has put its hand to a Measure in which for the first time the ugly features of the confiscation of the rights of trustees have appeared. On these broad grounds, I beg the House to defeat this Measure. As I began by saying, I have not been a consistent opponent of Church Measures. It has been a difficult duty for me to perform to represent the view that I hold, but I have some confidence in the justice of the House, and I believe that the Measure will be dealt with as I ask.

12.8 a.m.

Major MILNER: I want to support the Measure and to give some explanation to my colleagues of the unaccustomed company in which I find myself to-night. I support the Measure on quite simple grounds. In the first place, I support it on good Socialist grounds. I deny the right of owners of property to control the economic life of other people, and, similarly, I deny the right of owners of patronage to control the religious opinions and education of the people. The state of affairs in this connection is little less than a scandal. In many instances, something like a corner in advowsons has been created. I am surprised that the right hon. and learned Gentleman should come to the House to-night to preach as he has done. He himself is *particeps crimines.* I see from a list of these trusts which has been sent to me that he is a trustee of at least two. In one of them there are something 100 benefices, and in the second something like 30 or 40 benefices are disposed of.

The ATTORNEY-GENERAL: Is the hon. and gallant Gentleman suggesting that I have been a party to purchasing benefices?

Major MILNER: I have no knowledge of how these trusts have obtained the rights of patronage they hold, but I do suggest that they are using their power to appoint to those benefices individuals of a particular school of thought. I am not here speaking for any school of thought—I may or may not agree with the right hon. and learned Gentleman's point of view in that connection—but I do suggest that it does not lie in his mouth to come here to talk about a breach of trust, because no breach of trust has taken place, and to claim that power should not be taken away from these trusts in two of which he is himself a trustee. I understood his second argument to be that he did not approve of these proposals, because it would be putting the right of patronage into official hands. As I understand it, the Diocesan Board of Finance is an elected body. It may or may not be actually representative, but it is an elected body, and I suggest that it is far better to have the power exercised by that body than concentrated, to use the right hon. and learned Gentleman's own words, in the hands of a particular body of individuals holding particular views whether constituted as a trust or not. My third reason is that this Bill does give some rights to parishioners which they do not possess at present. The parochial church councils are elected by Church electors, and I suggest that the Bill does give them, through their representatives on the Diocesan Board, a voice in the selection of those to be appointed to benefices. The Bill harms no one and appears to me to afford full and fair powers of protection to all interests concerned.

Finally, I would ask, "What is the use of this House committing to the Church Assembly certain powers if, when that Assembly has passed a measure on three occasions, the House does not pay some regard to the decisions of the Assembly and some regard to the Ecclesiastical Committee, composed of all parties, which has considered and recommended the Bill to the House?" I submit that the Bill will remove a real grievance, that the grounds which the right hon. and learned Gentleman has urged are not sound or serious ones, and that the House will do an excellent piece of work if it passes the Measure.

Sir JOHN HASLAM *rose in his place, and claimed to move* "That the Question be now put," *but* Mr. SPEAKER *withheld his assent and declined then to put that Question.*

12.14 a.m.

Colonel WEDGWOOD: I cannot quite understand why a question of this kind is so vitally interesting to all of us. I think it is because we are taking part in an age-long struggle which has been going on throughout the centuries. We are to-night merely a reimbodiment of our ancestors. Recalling to mind all the Members for Newcastle who have stood for the same liberties for which I stand to-night, I beg the House to have some feeling for the sort of Debate that should take place at this time of night. This Bill is so mean. Everything is on the Catholic side to-day. We have seen in our own lifetime the Church of England churches throughout the country become gradually changed. You have on your side all the bishops, all the wealth and all the commerce. It is inevitable that clericalism should appeal to one who is engaged in the ritualism of religion. Against that, we have only to put the

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same old fight that was put up by our ancestors—that it is the individual that matters and not the ritual.

I had my education at the same college at which the learned Attorney-General happened to be. I was there before him. All that I have felt since I learned then. Archdeacon Wilson, our headmaster, preached always in a black Geneva gown. There you had an exposition of the Bible and of the Faith. There you had a minister of the Gospel; and now, all over the country, ministers of the Gospel have gone and priests have taken their place. The only effort to stop this has been made by a handful of fanatical Protestants. Why not? A handful of fanatical Protestants have moved this country not merely in religious matters, but in political matters. These people have subscribed money which they could ill afford to build up one or two trusts. The senior trustees are those whom I know best, because several of their churches are in my constituency—the only churches in the constituency where one can still get the faith of our fathers.

What have the other trustees been doing? They have been buying up, and receiving gifts of, advowsons of churches, in order that there might be some kernel of Protestantism left. All that this Bill asks is that you should not stop this effort, and destroy the little chance they have—[An HON. MEMBER: "Against the wishes of their parishioners"]—I have seen the churches emptied in my constituency. I have seen one emptied completely by an Anglo-Catholic parson who then built up his own following who are in future to be the voice of the people. The voice of the people is outside the Church now. [An HON. MEMBER: "What about the parochial electors?"] How often do they take the trouble to elect? Once you have the churches going backwards, the decent people, the people of opposite views, leave it.

You have here an effort to put an end to something which has been painfully created to do the work of the Reformation, to preserve the teaching of the Bible, and to preserve that system under which we were all educated in our youth. I beg the House to think twice before it destroys that, and hands over to a bench of bishops who are overwhelmingly Catholic, more patronage than they have already. In the exercise of their patronage up to now, they have constantly strengthened the Catholic Church. Here is one chance for securing a few isolated livings for Protestant clergymen. That is now being shut down, and the diocesan view favours the Anglo-Catholic Church. Only four years ago in this House we voted, after a year's Debate, definitely against the new Prayer Book, and yet that new Prayer Book is in use in more than half the churches, because the bishops wish it. Can we stop it now?—[HON. MEMBERS: "No."] I think that we can. I think that if this House of Commons is inclined to go on to the clerical side, there will not always be a House of Commons like that. I would remind hon. Members that the last House, which voted for the Protestant religion against the new-fangled Prayer Book, was an overwhelmingly Conservative House. Religious people are divided on this question, irrespective of party, and therefore I believe that there will still be enough men in this House to see that fair-play is given to that struggling minority of Protestants in the Church of England who wish to preserve a corner for their Faith.

12.22 a.m.

Sir FRANCIS ACLAND: The House has sometimes been kind enough to listen to me when, as this evening, I speak definitely of my own knowledge and experience. I happen to be by consent a patron of livings in three dioceses. I have to do my best there to find incumbents when vacancies occur. All my traditions and the traditions of my family are, if one is to name particular things, Low Church and Evangelical. The parishes where I have to make these recommendations are similarly Low Church and Evangelical. When vacancies occur, people apply to me, as always happens, to be considered for the vacancies. I have to make the best inquiries I can. I very often find that the only men of any earnestness and any go are of the Anglo-Catholic school. If I appointed any of them I know that I should upset the parishes, and I do my best to try to find men who will not upset them. I have several times been unable to find among applicants people who would not upset the parishes. I have applied to the bishops and the bishops, after taking counsel with those who advise them, have, in several cases, advised me of people, but they have always taken care to try to suggest to me men who would not in any way upset the parishes which are Evangelical. I have never known any tendency on the part of the bishops to take a High Church view and to try to suggest to me people of High Church persuasion. The bishops have not tried to foist on the parishes men of High Church views. On the contrary, I believe, so far as this Measure works, they will try to select men of the views that the parish really wants. It is a piece of practical experience, and I thank the House for allowing me to deliver that plain story.

12.25 a.m.

Sir SAMUEL ROBERTS: I want to emphasise the point that was made by the learned Attorney-General, that at any rate since 1930, this Bill has been entirely unnecessary. The rights of parishioners are already as great as they can expect under this Bill. They are notified of the vacancies, and within a few days they can pass a resolution saying the kind of man that they want. The patron is bound, within a certain number of days, to consult with them, either personally or through his representative. If the parishioners after that cannot accept the appointment of the patron, they have a right of appeal to the bishop. The bishop, under the present law, has to consult that body, which, if it is not the Diocesan Patronage Board, has exactly the same obligation and is elected in a similar way. They are the board to whom the patronage would be transferred. There is a right of appeal to the archbishop.

Do the supporters of this Bill think that the parish, refusing to agree with a change of patronage, would not appeal to the bishop? Would not the bishop consider the traditions of the parish and the wishes of the parishioners? Would not he see that no violent change was made? Does not the present law give the promoters of the Bill all that they want? I think that there is a little bit of meanness and vindictiveness behind the Bill, in trying to get two or three cases where something might be happening at the present time. Another thing occurs to me to be slightly mean under this Bill. I am the patron of a living, and I desire, not thinking myself competent, but having a general idea of what I should wish to be done, to hand the matter over to the bishop. He is exempt from this Bill. I can give the living to the bishop. He is not subject to the parochial church council. If I give the living to trustees who hold similar views to myself, I am penalised under this Bill and I can be expropriated, and the trustees to whom I have transferred it can be expropriated. My wishes may be ignored; but by transferring it to the bishop one's views would probably be carried on.

Comment has been made, particularly by the "Times" newspaper, that the parishioners would have to pay handsomely, but I think that in many cases livings are so small that they have no commercial value. If they are in the hands of trustees who do not wish to dispose of them and have no means, a few pounds compensation would be of very little value to them. If money was wanted, I do not think that it would be found by the parishioners on their own initiative. It would be found in certain cases by one side or the other—I do not say which side. I do not think that the parishioners would have to find the money actually—it would be found by others.

This Measure is unnecessary. It is very mean. There are many illogical points in it which I have no desire to bring before the House this evening. It is not a Measure which has come unanimously from the Assembly. It is not a Measure to which, as the "Times" said, the opposition arose at the eleventh hour. When it came before the Assembly for last approval, which is like our Third Reading here, it was taken in the Assembly at a time which is similar to our Fridays. The attendance was very much smaller than is usual. Therefore, it does not come from the Assembly unanimously. As far as the Legislative Committee are concerned, I understand they do not consider the merits, but whether the Measure complies with certain statutory considerations, and can go forward to this House. I do ask the House to consider carefully before we do an act which will give a serious grievance, and cause heart burning, to a section of the Church which has suffered greatly by having provided for them incumbents who have entirely upset the parish. We have not been able to have any remedy, but

[Sir S. Roberts.]

when, for the first time, two or three grievances are felt they turn round upon us and bring in the full weight of the Church. I cannot help feeling that it is wholly ungenerous.

12.32 a.m.

Lord H. CECIL: I appeal to the House to come to a decision, because it is for the general convenience of the House. I will only say one or two words about this Measure.

Mr. MAGNAY: On a point of Order. Is the Noble Lord in order in speaking again? Has he the right of reply?

Mr. DEPUTY - SPEAKER (Captain Bourne): Any hon. Member who moves a substantive Motion in the House has a right of reply.

Lord H. CECIL: As to the last approval of the Church Assembly, the figures were in hundreds, sufficient to indicate the mind of the Church. The real point is that the Attorney-General and we see justice in a different light. He thinks of the feelings of patrons sincerely animated—and all honour to them for their motives—by religious convictions. We think rather of the parishioners. That is really the whole discussion. Are you on the side of the parishioners, or do you think the vexation of the patron ought to outweigh the right of the parishioners? In our view it should not. I hope the House will accept the view of the Church Assembly and support the rights of the parishioners.

Question put.

The House divided: Ayes, 103; Noes, 81.

Division No. 74.] AYES. [12.35 a.m.

Acland, Rt. Hon. Sir Francis Dyke
Acland-Troyte, Lieut.-Colonel
Agnew, Lieut.-Com. P. G.
Amery, Rt. Hon. Leopold C. M. S.
Aske, Sir Robert William
Baldwin-Webb, Colonel J.
Balniel, Lord
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Beit, Sir Alfred L.
Bennett, Capt. Sir Ernest Nathaniel
Bernays, Robert
Blindell, James
Bracken, Brendan
Braithwaite, J. G. (Hillsborough)
Briscoe, Capt. Richard George
Brown, Col. D. C. (N'th'l'd., Hexham)
Cadogan, Hon. Edward
Cape, Thomas
Carver, Major William H.
Cecil, Rt. Hon. Lord Hugh
Christie, James Archibald
Churchill, Rt. Hon. Winston Spencer
Cook, Thomas A.
Courtauld, Major John Sewell
Courthope, Colonel Sir George L.
Cripps, Sir Stafford
Crookshank, Col. C. de Windt (Bootle)
Crookshank, Capt. H. C. (Gainsb'ro)
Cruddas, Lieut.-Colonel Bernard
Daggar, George
Davies, Maj.Geo. F. (Somerset,Yeovil)
Dawson, Sir Philip
Denman, Hon. R. D.
Drewe, Cedric
Duncan, James A. L. (Kensington, N.)
Edwards, Charles
Ellis, Sir R. Geoffrey
Elliston, Captain George Sampson
Elmley, Viscount
Emrys-Evans, P. V.
Fox, Sir Gifford
Glossop, C. W. H.
Glyn, Major Ralph G. C.
Graves, Marjorie
Greenwood, Rt. Hon. Arthur
Grimston, R. V.
Gunston, Captain D. W.
Harbord, Arthur
Hartington, Marquess of
Heilgers, Captain F. F. A.
Hirst, George Henry
Hope, Capt. Hon. A. O. J. (Aston)
Horobin, Ian M.
Horsbrugh, Florence
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M. (Hackney, N.)
Hutchison, W. D. (Essex, Romf'd)
Iveagh, Countess of
Kimball, Lawrence
Lansbury, Rt. Hon. George
Law, Sir Alfred
Law, Richard K. (Hull, S.W.)
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Lindsay, Noel Ker
Macdonald, Capt. P. D. (I. of W.)
McKie, John Hamilton
McLean, Major Sir Alan
Macmillan, Maurice Harold
Mallalieu, Edward Lancelot
Mander, Geoffrey le M.
Margesson, Capt. Rt. Hon. H. D. R.
Marsden, Commander Arthur
Mills, Major J. D. (New Forest)
Milner, Major James
Nicholson, Godfrey (Morpeth)
Ormsby-Gore, Rt. Hon. William G. A.
Patrick, Colin M.
Pearson, William G.
Percy, Lord Eustace
Petherick, M
Peto, Sir Basil E. (Devon, Barnstaple)
Peto, Geoffrey K.(W'verh'pt'n,Bilston)
Pickford, Hon. Mary Ada
Price, Gabriel
Raikes, Henry V. A. M.
Rathbone, Eleanor
Reed, Arthur C. (Exeter)
Ruggles-Brise, Colonel E. A.
Rutherford, John (Edmonton)
Sanderson, Sir Frank Barnard
Slater, John
Sutcliffe, Harold
Thomas, James P. L. (Hereford)
Wallace, Captain D. E. (Hornsey)
Ward, Irene Mary Bewick (Wallsend)
Ward, Sarah Adelaide (Cannock)
Wedderburn, Henry James Scrymgeour-
Williams, Edward John (Ogmore)
Williams, Thomas (York, Don Valley)
Wilson, G. H. A. (Cambridge U.)
Womersley, Walter James
Worthington, Dr. John V.

TELLERS FOR THE AYES.—Viscount Wolmer and Sir Francis Fremantle.

NOES.

Adams, Samuel Vyvyan T. (Leeds, W.)
Allen, Sir J. Sandeman (Liverp'l, W.)
Balfour, George (Hampstead)
Bird, Ernest Roy (Yorks., Skipton)
Boulton, W. W.
Bowyer, Capt. Sir George E. W.
Boyd-Carpenter, Sir Archibald
Broadbent, Colonel John
Brown, Ernest (Leith)
Browne, Captain A. C.
Burghley, Lord
Cautley, Sir Henry S.
Croom-Johnson, R. P.
Cross, R. H.
Davies, David L. (Pontypridd)
Eastwood, John Francis
Entwistle, Cyril Fullard
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Evans, David Owen (Cardigan)
Foot, Dingle (Dundee)
Gibson, Charles Granville
Goodman, Colonel Albert W.
Greene, William P. C.
Gretton, Colonel Rt. Hon. John
Guy, J. C. Morrison
Hamilton, Sir George (Ilford)
Hannon, Patrick Joseph Henry
Haslam, Sir John (Bolton)
Holdsworth, Herbert

Hornby, Frank
Hume, Sir George Hopwood
Inskip, Rt. Hon. Sir Thomas W. H.
Jones, Henry Haydn (Merioneth)
Kerr, Lieut.-Col. Charles (Montrose)
Lamb, Sir Joseph Quinton
Liddall, Walter S.
Mabane, William
McGovern, John
McKeag, William
Maclay, Hon. Joseph Paton
Magnay, Thomas
Martin, Thomas B.
Merriman, Sir F. Boyd
Molson, A. Hugh Elsdale
Morrison, William Shepherd
Muirhead, Major A. J.
Nall, Sir Joseph
Nation, Brigadier-General J. J. H.
Nicholson, Rt. Hn. W. G. (Petersf'ld)
North, Captain Edward T.
Oman, Sir Charles William C.
Palmer, Francis Noel
Penny, Sir George
Pike, Cecil F.
Ramsay, Capt. A. H. M. (Midlothian)
Ramsay, T. B. W. (Western Isles)
Ratcliffe, Arthur
Remer, John R.
Roberts, Aled (Wrexham)
Roberts, Sir Samuel (Ecclesall)
Ross, Ronald D.
Russell, Richard John (Eddisbury)
Rutherford, Sir John Hugo (Liverp'l)
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Savery, Samuel Servington
Shaw, Helen B. (Lanark, Bothwell)
Shepperson, Sir Ernest W.
Smith-Carington, Neville W.
Soper, Richard
Southby, Commander Archibald R. J.
Spencer, Captain Richard A.
Stones, James
Strauss, Edward A.
Sugden, Sir Wilfrid Hart
Templeton, William P.
Wedgwood, Rt. Hon. Josiah
Wells, Sydney Richard
Whiteside, Borras Noel H.
Wood, Sir Murdoch McKenzie (Banff)

TELLERS FOR THE NOES.—Mr. Michael Beaumont and Major Llewellin.

Resolved,

"That, in accordance with the Church of England Assembly (Powers) Act, 1919, this House do direct that the Benefices (Purchase of Rights of Patronage) Measure, 1933, be presented to His Majesty for Royal Assent."

It being after half-past Eleven of the Clock upon Tuesday evening, Mr. DEPUTY-SPEAKER *adjourned the House, without Question put, pursuant to the Standing Order.*

Adjourned at Seventeen Minutes before One o'Clock.

HOUSE OF COMMONS.

Wednesday, 8th March, 1933.

The House met at a Quarter before Three of the Clock, Mr. SPEAKER *in the Chair.*

ORAL ANSWERS TO QUESTIONS.

ARMS TRAFFIC.

1. **Mr. MANDER** asked the Secretary of State for Foreign Affairs the present position with regard to the export of arms to Bolivia and Paraguay and Peru and Colombia; and whether it is proposed to take the same individual action by this country as in the case of China and Japan?

The SECRETARY of STATE for FOREIGN AFFAIRS (Sir John Simon): Following upon consultations between the Delegations at Geneva of the United Kingdom, France and Italy, a memorandum was submitted to the Council of the League of Nations on the 27th February, suggesting that steps should be taken under the terms of Article XI of the Covenant to recommend Governments to impose an embargo on the export to Bolivia and Paraguay of arms and war material. The Council of the League is now considering this question. This embargo would not become operative until certain States which are not Members of the League, including the United States of America, impose and apply a similar prohibition of export. As regards the dispute between Peru and Colombia, I would remind my hon. Friend that the League is now endeavouring to effect a settlement under the terms of Article XV of the Covenant. Hostilities have ceased, and no question of an arms embargo arises. The answer to the last part of this question is in the negative.

38. **Mr. VYVYAN ADAMS** asked the President of the Board of Trade whether he is able to state the extent, character, and value of the existing contracts for the supply of arms to Japan and China, respectively?

Lieut.-Colonel J. COLVILLE (Secretary, Overseas Trade Department): I am unable to supply the desired information. There is no regulation which requires arms manufacturers and merchants to advise my Department immediately a foreign contract for arms has been secured. The jurisdiction of the Board of Trade commences only when application is made for an export licence.

39. **Mr. NUNN** asked the President of the Board of Trade what are the terms of the embargo on the export of aeroplanes to China from this country; and whether it extends to aeroplanes designed to be used for civil and commercial purposes?

Lieut.-Colonel COLVILLE: The embargo on the exportation of war material from this country to China and Japan does not apply to aircraft of any kind. While it is true that aircraft and aircraft engines are mentioned in the Arms Export Prohibition Order, 1931, an open general licence was issued on 1st June, 1931, authorising the exportation of aircraft and aircraft engines to all destinations other than Abyssinia. This open general licence still remains in force.

Mr. PERKINS: Why is Abyssinia excluded?

Lieut.-Colonel COLVILLE: As the result of international agreement, which I can hardly explain in answer to a question.

Mr. T. WILLIAMS: Do we understand that it is permissible to export aeroplanes to Japan without licence?

Lieut.-Colonel COLVILLE: Yes, any country except Abyssinia.

6. **Mr. MORGAN JONES** asked the Secretary of State for Foreign Affairs whether his attention has been drawn to the suggestions made to the League of Nations' Council by the committee of three which was set up on the question of Bolivia and Paraguay as regards the type of arms on which an embargo to these two States should be placed; and whether such suggestions are being made use of in the negotiations concerning a League embargo against Japan and China?

Sir J. SIMON: The answer to the first part of the question is in the affirmative. As regards the second part I have no doubt that if there was any indication of general agreement these suggestions would be borne in mind.

LEAGUE OF NATIONS.

BREACHES OF COVENANT.

2. **Mr. MANDER** asked the Secretary of State for Foreign Affairs whether the question of the simultaneous withdrawal of Ambassadors and Ministers from the capitals of nations found guilty of covenant-breaking has been under consideration, as unanimously recommended as a possible step by the Assembly of the League of Nations on 4th October, 1921?

Sir J. SIMON: No, Sir. I have no information that this question has been recently under consideration.

Mr. MANDER: Can the right hon. Gentleman give me an assurance that neither this nor any other relevant consideration will be overlooked?

Sir J. SIMON: We shall do our best not to overlook relevant considerations. I ought, perhaps, to point out that the Assembly's recommendations of the 4th October, 1921, to which my hon. Friend refers, were concerned with the application of Article XVI—a matter which has not arisen in connection with the Sino-Japanese dispute.

CZECHOSLOVAKIA, RUMANIA, AND YUGOSLAVIA (TREATY).

3. **Mr. LLEWELLYN-JONES** asked the Secretary of State for Foreign Affairs whether the pact or treaty recently entered into by the three Powers of the Little Entente has been registered with the secretariat of the League of Nations in accordance with the provisions of Article XVIII of the Covenant of the League; and whether any member of the League has raised the question that the engagements of this treaty are inconsistent with the terms of the Covenant and therefore contravene Article XX of the Covenant?

Sir J. SIMON: As I informed my hon. and gallant Friend the Member for St. Marylebone (Captain Cunningham-Reid) on the 22nd February, I have not yet been notified of the registration with the League of the Part of Organisation signed by the representatives of Czechoslovakia, Rumania and Yugoslavia at Geneva on the 16th February. I have, however, read in the Press an account of a communication stated to have been addressed by the new Permanent Council of the Little Entente to the Secretary-General of the League of Nations at Geneva, informing him of the intention that this treaty shall be registered so soon as it shall have been ratified by the three contracting States. According to the terms of the treaty itself, the exchange of ratifications is to take place, at the latest, on the occasion of the next regular meeting of the Permanent Council of the Little Entente. This meeting is due to be held at Prague in May. The answer to the second part of the question is in the negative. In this connection I would draw attention to Article 10 of the Pact of Organisation, which reads as follows:

> "The common policy of the Permanent Council must be inspired by the general principles contained in all the chief instruments of post-War international policy such as the Covenant of the League of Nations, the Pact of Paris, the General Pact of Arbitration, the eventual Disarmament Conventions and the Treaties of Locarno. Moreover, nothing in the present Pact can be contrary to the principles and to the terms of the Covenant of the League of Nations."

MANCHURIA.

7. **Mr. MANDER** asked the Secretary of State for Foreign Affairs if he will propose to the Council of the League of Nations that immediate steps should be taken to work out the constructive plan for the future administration of Manchuria on the lines suggested by the report of the Lytton Commission as an alternative to Manchukuo?

Sir J. SIMON: No. Sir. I fear no useful purpose would be served by the step suggested in the absence of the co-operation of the parties immediately concerned.

Mr. MANDER: Does not my right hon. Friend feel that it is desirable to have some practical constructive alternative to Manchukuo to offer to the Japanese?

Sir J. SIMON: The alternative suggested in the League Report, as my hon. Friend knows, is one which depends on the co-operation of the parties concerned.

Mr. KIRKPATRICK: Is not this question an unwarranted insult to a nation which has always shown more desire to be friendly to us than any other nation in the world?

EAST AFRICA.

APPOINTMENTS (INDIANS).

8. **Mr. T. WILLIAMS** asked the Secretary of State for the Colonies whether any steps have been taken to ensure the appointment of Indians to superior posts in the Government Departments in Kenya, Uganda, and Tanganyika?

The SECRETARY of STATE for the COLONIES (Sir Philip Cunliffe-Lister): No, Sir. In filling appointments the first consideration must clearly be the fitness of the applicant, and I should deprecate any arrangement designed, as the question suggests, to ensure that superior posts in East Africa are allocated to applicants from one particular part of the Empire.

Mr. WILLIAMS: Are the Indians referred to in the question given an opportunity to demonstrate their qualifications?

Sir P. CUNLIFFE-LISTER: Yes, Sir; everyone in the Service is given an opportunity of demonstrating his qualifications every day.

FINANCIAL INQUIRY.

11. **Mr. LUNN** asked the Secretary of State for the Colonies what action he proposes to take as the result of Mr. Roger Gibbs's Report on railway rates and finance in East Africa?

Sir P. CUNLIFFE-LISTER: The Report is being considered by the Conference of East African Governors, which met at Entebbe on the 20th of February. I propose to await an expression of opinion from that Conference before taking any further action on it.

Mr. LUNN: When does the right hon. Gentleman expect to have the report; and will it be published?

Sir P. CUNLIFFE-LISTER: I could not publish a report from the Governors' Conference; that would, naturally, be a confidential report to me in the ordinary course.

HONG KONG (MUI-TSAI SYSTEM).

9. **Mr. LUNN** asked the Secretary of State for the Colonies whether, seeing that there are now three inspectors employed to watch over the treatment of the registered mui-tsai of Hong Kong, he proposes to publish periodically the reports of these inspectors?

Sir P. CUNLIFFE-LISTER: The half-yearly reports which I receive from the Governor of Hong Kong, and which are based on information collected by the local inspectors, are placed regularly in the Library of the House.

KENYA.

LAND PURCHASE (NATIVES).

10. **Mr. MALLALIEU** asked the Secretary of State for the Colonies whether, seeing that the Kenya Land Trust, under which natives occupy reserve areas, has been varied, it is his intention to permit in future British subjects of native origin to purchase from willing sellers land outside the reserve areas?

Sir P. CUNLIFFE-LISTER: I cannot accept the implication in the earlier part of the question. The hon. Member is, moreover, mistaken in supposing that any restriction is maintained by the Government of Kenya on the purchase of agricultural land by natives, except in regard to the area known as the Highlands, which it is part of the duty of the Morris Carter Commission to define.

GOLD MINING DEVELOPMENT.

16. **Mr. MALLALIEU** asked the Secretary of State for the Colonies whether gold, either alluvial or reef, has been discovered by prospectors in Kenya in any areas of the reserve not open to prospecting; and, if so, how the prospectors gained access to those areas?

Sir P. CUNLIFFE-LISTER: Gold has been discovered by prospectors in areas at present closed to prospecting. The discoveries were made before the areas were closed.

17. **Mr. MALLALIEU** asked the Secretary of State for the Colonies whether, under the mining ordinance in Kenya, a grant of a claim gives possession of the area comprised in it for the period of its duration; and whether any mining claims

have been granted in the Kavirondo reserve prior to or subsequent to the amendment of the Native Land Trust Ordinance?

Sir P. CUNLIFFE-LISTER: No, Sir; the registration of a mining claim over a piece of land does not affect the ownership of the land. The holder of the claim has the right to enter upon the land, to prospect or mine thereon, and to remove therefrom and dispose of the minerals won. Compensation is payable by the claim holder to the owner or occupier for any disturbance of his rights and for any damage done to the land or to the improvements thereon. Claims have been registered in the Kavirondo Reserves both before and after the passing of the Native Lands Trust (Amendment) Ordinance.

MALAYA.

15. **Mr. CAMPBELL** asked the Secretary of State for the Colonies when he expects to be in a position to publish Sir Samuel Wilson's report on his visit to the Straits Settlement and the Federated Malay States; and whether the report will be issued simultaneously here and in Malaya?

Sir P. CUNLIFFE-LISTER: I hope that it will be possible to publish the report towards the end of next month. The reply to the second part of the question is in the affirmative.

ELECTRICITY SUPPLIES.

18. **Mr. LIDDALL** asked the Minister of Transport whether, seeing that the grid scheme is now almost completed, he will, in order to provide work for the unemployed, take the necessary steps to extend the benefits of electric lighting to all towns and villages throughout the country?

The MINISTER of TRANSPORT (Mr. Oliver Stanley): The duty of adequately developing electricity supply within their respective areas rests upon the various local authorities and the companies concerned. Development is steadily proceeding. My information is that, generally speaking, authorised undertakers are alive to their duties in this respect, and it is not unreasonable that they should have regard to the adequacy of the probable demand. The position is, however, closely watched by the Electricity Commissioners.

Mr. LIDDALL: May I ask why, in the present situation, the Ministry of Transport does not itself take the initiative and promote schemes of work to supply the countryside with cheap electricity?

Mr. STANLEY: It depends on whether the existing development is adequate to meet the probable demand.

Sir PERCY HARRIS: Has the Minister in his possession a survey of the possible requirements and the potential development that could be carried out?

Mr. STANLEY: Yes, Sir; we are watching the position very closely.

27. **Mr. LEVY** asked the Minister of Transport what is, or will be, the total capital expenditure on the construction of the electricity grid; and when the work will be completed?

Mr. STANLEY: I am informed that on the figures and information available it appears that the total capital expenditure on the construction of the grid will be approximately £27,000,000, exclusive of interest during construction, and that the work will be substantially completed during the present year.

Mr. LEVY: Will a supply of cheap current be available generally?

Mr. STANLEY: Perhaps my hon. Friend will put that question down.

TRANSPORT.

WATERLOO BRIDGE.

21. **Mr. JAMES DUNCAN** asked the Minister of Transport whether the contracts for the reconstruction of Waterloo Bridge will be offered by public tender; and whether they will be let subject to his approval?

Mr. STANLEY: It is a condition of all grants from the Road Fund that my approval of any arrangement as to tenders and of any contract for constructional works should be obtained, but the procedure to be followed in inviting and accepting tenders for the reconditioning of Waterloo Bridge has not yet been settled.

Mr. DUNCAN: Will the Minister assure the House that, when this question is settled, there will be open competition for these considerable contracts?

Mr. STANLEY: No, Sir, I could not give that assurance. There have been cases where, owing to the special nature of the work, its delicacy and danger, tender has been restricted to selected lists, and has not been open.

Sir WILLIAM DAVISON: When will this work, which has been delayed for so long, be commenced?

Mr. DUNCAN: Will the Minister assure the House that, when this work is going to be commenced, the selected firms will all be invited to tender, and that it will not be left to one firm?

Mr. STANLEY: As I have said, I cannot give any assurance to the House as to the procedure that will be adopted before I know what arrangements the county council propose; but I can give the House this assurance, that no arrangements can be entered into without my consent, and I shall not give that unless I am satisfied that full opportunity has been given for competition.

Sir W. DAVISON: When is the work likely to be commenced?

Mr. STANLEY: The work cannot be commenced without the action of this House.

Mr. KIRKWOOD: Will the Minister tell the House if he is in favour of a reconstructed Waterloo Bridge?

RAILWAY AGREEMENT.

22. **Sir FRANK SANDERSON** asked the Minister of Transport whether, in view of the urgency of the matter, he is now in a position to give his approval to the agreement entered into in September last by the London and North Eastern Railway Company with the London Midland and Scottish Railway Company and the Great Western Railway Company covering traffic competition between the three companies, which was submitted to him for approval in September, 1932?

Mr. STANLEY: I have the agreement to which my hon. Friend refers under consideration, and hope to be in a position to give my decision in the matter at an early date.

RAILWAY RATES (COMPOSITE CHARGING).

23. **Sir F. SANDERSON** asked the Minister of Transport whether he is aware that the rates tribunal decided last year that a system of composite charging which had been introduced by the railway companies at the instance of traders to meet road-motor competition was illegal; and whether, as this system of charging has helped the trading community generally and also the railway companies in their attempt to meet competition, he will take steps to permit the railway companies to continue this system of charging?

Mr. STANLEY: I presume that my hon. Friend refers to the decision given by the Railway Rates Tribunal in connection with oil cake forwarded from Avonmouth Docks. The position created by this decision is under consideration, but I am not yet in a position to make any pronouncement upon it. I understand that the railway company concerned have lodged an appeal against the decision to the Court of Appeal.

Mr. LINDSAY: Before coming to any decision, will the hon. Gentleman consult all sections of the trades concerned and not one only as there is considerable difference of opinion among the traders concerned.

Mr. STANLEY: I shall certainly take all steps necessary to enable me to come to a decision.

ROAD GRANTS (NORFOLK).

24. **Mr. CHRISTIE** asked the Minister of Transport if he will state the reasons why the county of Norfolk, with a highway rate of 9s. 9¼d. and a total rate of 13s. 6d. in the pound, is not allowed the same grant of 75 per cent. for road maintenance which is given by the Ministry to Monmouthshire, whose expenditure on highways is equivalent to a rate of 3s. 2d. in the pound and whose total rate is 11s. 8¼d.?

Mr. STANLEY: I am unable to verify the rate figures quoted by my hon. Friend. The grant of 75 per cent. which was made to the Monmouthshire County Council in 1931-32 was a special measure of assistance towards an estimated expenditure of £14,228 on the reinstatement of certain classified roads and bridges which had been severely damaged by flood. Apart from this special case, there has been no difference in the rates of grant towards road maintenance given to Monmouthshire and Norfolk.

Mr. CHRISTIE: Does my hon. Friend realise that Norfolk has to administer an area of over 1,000,000 acres more than Monmouthshire?

Mr. STANLEY: Yes: I have no doubt that if Norfolk were unfortunately to be afflicted with a flood, full weight would be given to that consideration.

RAIL AND ROAD CONFERENCE.

25. **Sir CHARLES OMAN** asked the Minister of Transport whether he can give any information as to the date on which the Government Measure implementing the conclusions of the Salter Report will be placed before the House?

Mr. STANLEY: The Government have already indicated their intention to introduce before Easter a Bill to provide for the licensing and better regulation of the transport of goods by road.

Sir C. OMAN: Will the Minister throw a kindly eye on my own little Bill dealing with some small portion of that subject?

Mr. STANLEY: Perhaps my hon. Friend will wait to see the introduction of the Bill before he decides whether my eye is kindly or not.

30. **Mr. CLARRY** asked the Minister of Transport whether, in taking into consideration any action with regard to the Salter Report, he will consult the Report of the National Transportation Committee (United States of America), issued on 15th February, 1933, which was appointed to deal with the road and rail problem in the United States?

Mr. STANLEY: My attention has been drawn to the report to which my hon. Friend refers and I will give it consideration. He will realise, however, that the conditions of transport in the United States of America are, in many ways, not comparable with those in this country.

29. **Mr. CLARRY** asked the Minister of Transport whether, before implementing all the recommendations of the Salter Report, he will set up a further committee to consider what railway economies can be achieved by the abolition of parallel lines, regional consolidations, and elimination of all railways where the transport services rendered can be provided more efficiently by road operators?

Mr. STANLEY: No, Sir. Apart from the fact that the course suggested would inevitably lead to considerable delay, I doubt whether, for the present at any rate, a further committee would be the best means of securing any additional economies which are possible in the direction which the hon. Member has in mind.

OMNIBUSES, STOKE-ON-TRENT (COUPON SYSTEM).

26. **Mr. HALES** asked the Minister of Transport whether his attention has been called to the application by the corporation of the city of Stoke-on-Trent for the omnibus companies to produce their books on the hearing of an appeal to him against the decision of the traffic commissioners abolishing the coupon system; and whether he will adjourn the appeal until the said books have been produced?

Mr. STANLEY: I would refer my hon. Friend to the answer given yesterday to a similar question by the hon. Member for the Burslem Division (Mr. W. Allen).

OMNIBUS FARES, DURHAM.

31. **Mr. LAWSON** asked the Minister of Transport whether he is aware that fares have been raised on some of the routes in the Chester-le-Street, Birtley, Pelton and Washington areas of county Durham; whether such increases have been sanctioned by the commissioner; and whether, as these increases are a hardship upon those living in an area so long afflicted with unemployment, he will have inquiry made with a view to restoring the fares previously paid?

Mr. STANLEY: Traffic Commissioners have power to attach conditions to road service licences for securing that fares shall not be unreasonable and that, where desirable in the public interest, fares shall be so fixed as to prevent wasteful competition with alternative forms of transport. I have no power to intervene except in the event of an appeal being made to me by a person entitled to do so.

Mr. LAWSON: Is the hon. Gentleman aware that increases of fares have occurred in these groups and that large numbers of surplus omnibuses have been

[Mr. Lawson.]

taken off the routes, with obvious advantage to the companies? Have the public any representative present to speak on their behalf?

Mr. STANLEY: The hon. Gentleman must be so well aware of the effect of wasteful competition that he realises why these increases are permitted.

Mr. LAWSON: I ask whether these fares have been increased on these routes where the population has been very hardly hit. Is the hon. Gentleman aware that they have been increased?

Mr. STANLEY: I am not aware officially, because, until representations in proper form are made to me, I have no authority in the matter, but I understand that in certain cases the Traffic Commissioner has permitted increases to prevent wasteful competition.

NEW FOREST (ELECTRICITY PYLONS).

28. **Mr. HALL-CAINE** asked the Minister of Transport whether he can state the present position of the controversy over the proposed erection of pylons in the New Forest area?

Mr. STANLEY: I am not in a position at present to make any announcement in the matter.

KENSINGTON GARDENS (SHRUBS).

33. **Sir W. DAVISON** asked the First Commissioner of Works if he will take steps to have shrubs planted on the garden side of the public lavatory recently erected at the end of the Flower Walk in Kensington Gardens, so as to conceal this building from the Flower Walk in the same way as has been done on the other side of the building facing Kensington Road?

The FIRST COMMISSIONER of WORKS (Mr. Ormsby-Gore): Yes, Sir. I am giving instructions for some additional shrubs to be planted on the garden side of the building.

Sir W. DAVISON: Is my right hon. Friend aware that there are no shrubs between the lavatory and the pathway, and the pathway is a bare piece of grass with no shrubs—at least there were not any on Sunday?

Mr. ORMSBY-GORE: Shrubs are planted between the Flower Walk and the new buildings, and so the public convenience is already masked.

Sir W. DAVISON: Is my right hon. Friend aware that there may be some misunderstanding? There is a bifurcation of the path, and there are no shrubs between the path immediately in front of the lavatory and the pathway.

Mr. ORMSBY-GORE: That particular path leads to the lavatory.

POST OFFICE (TELEGRAPH POSTS).

34. **Mr. T. GRIFFITHS** asked the Postmaster-General if he can give an estimate of the damage done to telegraph posts, etc., during the recent storm in South Wales and other parts of the country?

The ASSISTANT POSTMASTER-GENERAL (Sir Ernest Bennett): I am afraid that the full extent of the damage cannot be ascertained for some time, and that it will not be possible to form any reliable estimate for at least another fortnight.

Mr. GRIFFITHS: Are the Post Office authorities considering the advisability of putting up steel posts instead of the timber ones that they have to-day? Does he know of the firm that is putting up steel posts in India and in parts of this country, and will he make inquiries?

Sir E. BENNETT: Obviously that does not arise out of the question on the Paper.

Mr. MORGAN JONES: May we take it that the damage that recently occurred in South Wales is being attended to?

Sir E. BENNETT: We are proceeding as rapidly as possible and employing on it a large amount of labour. Directly the estimate is in my hands I will send it to the hon. Member.

DISTRICT AUDITS, NORTH WALES.

35. **Mr. LLEWELLYN-JONES** asked the Minister of Health whether, in connection with forthcoming changes in the staff of the North Wales audit district, he will take steps to ensure that the auditors and some of their assistants have a competent knowledge of the Welsh language?

The PARLIAMENTARY SECRETARY to the MINISTRY of HEALTH (Mr. Shakespeare): My right hon. Friend is taking the necessary steps, in connection with the forthcoming changes referred to by the hon. Member, to ensure that there shall be an adequate number of officers with a competent knowledge of the Welsh language available for the purposes of district audits in North Wales.

COAL INDUSTRY (FLOODS, DON VALLEY).

40. **Mr. T. WILLIAMS** asked the Secretary for Mines how many working days have been lost at Wath Main and Bentley collieries during the flood periods in 1931 and 1932, with the total loss of wages incurred?

The SECRETARY for MINES (Mr. Ernest Brown): I must remind the hon. Member that I am precluded by Subsection (2) of Section 21 of the Mining Industry Act, 1920, from publishing any information with respect to a particular undertaking, unless the owner of the undertaking so agrees. I regret, therefore, that I cannot give the details asked for, but if the hon. Member particularly desires I can approach the owners with a request for permission to publish the information.

Mr. WILLIAMS: As these floods have been so frequent in the last year or two, ought we not to know the extent of the losses incurred as a result of them?

Mr. BROWN: I say if the hon. Member desires it I will approach the owners.

Mr. WILLIAMS: I shall be pleased if the hon. Gentleman will get the information.

HIGHWAY THEFTS, SOUTH KENSINGTON.

41. **Sir W. DAVISON** asked the Secretary of State for the Home Department the number of highway robberies which have taken place in South Kensington during the last six months; in how many cases have the robbers been arrested and convictions obtained; and what steps are being taken to deal with this menace to the public safety in this part of London?

The SECRETARY of STATE for the HOME DEPARTMENT (Sir John Gilmour): I am informed by the Commissioner of Police that during the six months ended the 31st January there was one case of robbery with violence and 31 cases of bag-snatching in the South Kensington district. There has been one arrest which was followed by a conviction. It would obviously be undesirable that I should indicate the arrangements made to deal with the situation, but I am informed that this type of crime has recently decreased considerably in the district in question.

INCOME TAX (CO-OPERATIVE SOCIETIES).

42. **Mr. T. WILLIAMS** asked the Chancellor of the Exchequer how many witnesses were heard by the committee to inquire into the position of co-operative societies in relation to Income Tax; whether the evidence is to be published; and, if not, will he state the reason?

The FINANCIAL SECRETARY to the TREASURY (Mr. Hore-Belisha): The full list of witnesses is to be found in the appendix to the Committee's report (Command Paper 4260). As regards the second part of the question, the evidence is voluminous and publication would be costly. As at present advised, I do not see sufficient ground for incurring this expense.

Mr. WILLIAMS: May I ask the hon. Gentleman whether, seeing that there are in excess of 6,000,000 members of co-operative societies who are likely to be involved in any taxation, they ought not to have the privilege of seeing the evidence?

Mr. HORE-BELISHA: I have no doubt that they will not be debarred from that privilege, because any societies who think that the evidence which they have given is of interest to their members will probably publish it.

Mr. WILLIAMS: Is the hon. Gentleman aware that the co-operative societies are not responsible for the Committee; and will the evidence be placed in the Library and made available to Members?

Mr. HORE-BELISHA: It was not the intention of my right hon. Friend to incur the expense of printing what would be some hundreds of pages of evidence, and past experience shows, as I have told my hon. Friend, that those societies who

[Mr. Hore-Belisha.]
think that the evidence which they have tendered is of interest to their members will publish it.

Mr. WILLIAMS: As Members of this House are likely to be called upon to deal with this case shortly, ought not such evidence to be made available to them in the Library?

Mr. HORE-BELISHA: If it is represented that any hardship is involved and that societies do not think that it is advisable to publish the evidence which they have tendered, I will consider the suggestion of my hon. Friend.

Mr. BUCHANAN: Could not the hon. Gentleman make the evidence available to Members? After all, this is likely to be a very important piece of legislation. It is causing a great deal of public comment, and are not Members entitled to have evidence, both for and against, on the matter? Some of us are in the dark, and will the hon. Gentleman kindly see that he does not shut out one side or the other?

Mr. MARTIN: Does not my hon. Friend think that if 6,000,000 members each guaranteed to take a copy it would pay for its publication?

Mr. HORE-BELISHA: In reply to the hon. Member for Gorbals (Mr. Buchanan), it is not the intention of my right hon. Friend to deprive anybody of access to any useful parts of the evidence which were tendered. The House will realise that much of the evidence was redundant, and to print it verbatim would involve us in disproportionate expenditure of public money. It has been the practice in the past for societies to publish the evidence, and I have no doubt they will do so in this case.

Mr. BUCHANAN: Apart from that, some of us are deliberately excluded from many of these things, but we are Members of Parliament and have rights, and so have members of co-operative societies. In view of the fact that we are Members, cannot the hon. Member, on a matter which is of tremendous public importance, see to it that those of us who are affected are given equal rights in having the evidence?

Mr. HORE-BELISHA: I have already informed the House that my right hon. Friend will naturally consider any representations which are made, but the arguments tendered in evidence were duplicated many times, and most of them are contained in speeches by those who are interested in the report. But I have said that I will consider the matter to see if there is any hardship.

ECONOMIC SITUATION (GOVERNMENT POLICY).

43. **Mr. MABANE** asked the Chancellor of the Exchequer whether the Government, in pursuing its policy of scientific expansion, intends to confine its activities to particular schemes or to proceed in accordance with a comprehensive national economic plan; and whether, in the latter case, it will be possible in the near future to indicate the scope and nature of the plan?

Mr. HORE-BELISHA: I cannot add anything to the very full account of the Government's policy which was indicated in the speeches made by the Prime Minister and by the Chancellor of the Exchequer during the Debate on the 16th February.

BRAZIL (BRITISH INVESTORS).

5. **Mr. RANKIN** asked the Secretary of State for Foreign Affairs if he will direct His Majesty's Minister at Rio de Janeiro to ascertain the details of the official proposals offered last week regarding the British-owned defaulted obligations of the Brazilian provincial and municipal authorities, and to represent that those proposals shall include a readjustment of the tramcar and ferry fares in which British investors are involved by reason of their interests in the Leopoldina Railroad and Leopoldina Railroad Terminal Company?

Sir J. SIMON: I have received a report from His Majesty's Ambassador at Rio de Janeiro in regard to the matter with which the first part of my hon. Friend's question is concerned. These proposals do not appear to be such that they could be applicable to a readjustment of the fares of the Leopoldina Railroad Company and the Leopoldina Railroad Terminal Company, in regard to which I would refer my hon. Friend to the reply which was returned to the hon. Member for Aberdare (Mr. G. Hall) on the 13th June last.

Sir ARTHUR MICHAEL SAMUEL: ut is not the present occasion of rranging with the Rio de Janeiro authoities about their defaults on their Loan bligations also an opportunity for negoiating with those same authorities especting the other default on their bligations to British investors in relaion to the adjustment of tram and ferry res on the Leopoldina systems?

Sir J. SIMON: It did not appear to e that the matter dealt with in the rst part of the question was at all the me subject matter as that referred to the second part. Therefore, I must fer to the answer which I gave on the th June.

BARBADOS (COTTON GROWING).

12. **Mr. WILLS** (*for* **Mr. HANNON**) ked the Secretary of State for the olonies the latest available information lating to the development of cotton owing in Barbados; and if the Cotton rowers' Association in that Colony will ceive the sympathetic support of his epartment through the Colonial evelopment Fund or otherwise?

Sir P. CUNLIFFE-LISTER: As a sult of the conference of West Indian ea Island cotton growers held in arbados in the spring of 1932, steps are eing taken for the formation of a West ndian cotton growers' association, the bject of which will be to regulate proction and to stimulate the expansion of e use of Sea Island cotton. The moveent has my sympathetic support, and I m in communication with the West dian Governments concerned with gard to the steps to be taken to further e work of the association. I hope that e energetic efforts which are being ade by certain Lancashire and Cheshire inners and manufacturers in Nottingm and Manchester, with the co-operaon of the West India committee, to pand the market for this high-grade oduct, may prove of considerable enefit to Barbados and other West dian islands which produce the crop.

TRADE AND COMMERCE.

Cotton Industry (Jamaica).

13. **Mr. WILLS** (*for* **Mr. HANNON**) ked the Secretary of State for the Colonies if his attention has been called to the representations made by the Imperial Association of Jamaica to the Governor of that Colony on 20th February last, urging the menace in the Jamaica market to British Empire-manufactured products owing to the increased volume of imports of cheap cotton piece goods, artificial silks, and rubber shoes from Japan; and if he contemplates any measures to safeguard inter-Imperial trade in Jamaica?

Sir P. CUNLIFFE-LISTER: Yes, Sir. As my right hon. Friend the President of the Board of Trade has stated in reply to several recent questions, the matter is under active consideration by His Majesty's Government.

Colonial Sugar.

14. **Mr. WILLS** (*for* **Mr. HANNON**) asked the Secretary of State for the Colonies the general effect of the substantial increase in the preference on sugar on the cultivation of sugar cane in the West Indies; if he has any information as to whether the competitive power of Colonial sugar producers in world markets has restored general confidence in those islands; and if he anticipates a steady expansion in the production of Colonial sugar in the future?

Sir P. CUNLIFFE-LISTER: The increased preferences granted to Colonial sugar last year were intended to assist the Colonial producers to obtain a price sufficient to cover their bare costs and to maintain their production, and I understand that the preferences have, in general, had that effect in the West Indian sugar-producing Colonies and that greater confidence has been restored in those Colonies; but they were not designed to encourage an expansion of the industry and no substantial expansion is expected in the near future.

HOUSE OF COMMONS (SIR JOHN ELIOT).

32. **Mr. MICHAEL BEAUMONT** asked the First Commissioner of Works whether any public money is to be expended on the erection of the proposed memorial to Sir John Eliot in the House of Commons?

Mr. ORMSBY-GORE: No, Sir.

LOCAL EXPENDITURE (UNEMPLOYED).

36. **Mr. MORGAN JONES** (*for* **Mr. THORNE**) asked the Minister of Health whether he will issue a report in connection with the deputation he received from the Liverpool Corporation; and if he is aware that at least 50 other local authorities in necessitous areas have been urging that the expenditure incurred by assisting able-bodied unemployed should be a national charge and not a local one?

Mr. SHAKESPEARE: My right hon. Friend is sending the hon. Member a copy of an agreed notice published after the deputation. As regards the second part of the question, my right hon. Friend is aware that a certain number of local authorities have expressed views to the effect stated.

EDUCATION (SECONDARY SCHOOL FEES).

37. **Mr. MORGAN JONES** (*for* **Mr. THORNE**) asked the Parliamentary Secretary to the Board of Education if he will issue a White Paper showing the alterations which have been made in the scale of secondary school fees by various local educational authorities?

The PARLIAMENTARY SECRETARY to the BOARD of EDUCATION (Mr. Ramsbotham): My Noble Friend will be glad to do so as soon as the arrangements of all the local education authorities have been approved.

Mr. JONES: When will the hon. Member be able to tell the House when we may anticipate that this White Paper will be available? Are the negotiations coming to an end?

Mr. RAMSBOTHAM: Quite shortly, but I cannot exactly say. I hope in the course of a few weeks.

NATIONAL INDUSTRIAL COUNCIL

Mr. MANDER: I beg to move,

> "That leave be given to bring in a Bill to establish a National Industrial Council; and for other purposes connected therewith."

This Bill has been introduced several times in past Sessions. It is intended as a contribution to the more effective functioning of our constitutional machinery. I think it is generally felt that some ne centralised machinery for the complicate situation of the present day is require as the present machinery is inadequat in view of the fact that we are no longe living under the easy-going conditio that used to exist in the past. In th year 1919, just after the War, a nation industrial council was summoned and wa very widely representative of both em ployers and employed. At that confe ence a remarkable amount of agreeme was reached between both sides bu owing to the slump which supervene it was not found possible then to carr any of those measures into effect. At later stage, during the last few year the Mond-Turner negotiations took plac and one of the results of those negoti tions was a recommendation that national industrial council on the line suggested in this Bill should be set u Unfortunately, nothing has as yet event ated, although it was recommended bot by the representatives of the employe and the employed. Various distinguishe Members of this House have also fro time to time put forward suggestions o the lines of the proposals of this Measur

At the present time there is an Indu trial Council in existence in Belgiu Canada, Czechoslovakia, France, Ge many, Holland, Italy, South Africa, Spai and the United States. Shortly, th object is to set up what is in the natur of an industrial parliament. It woul of course, be wholly subordinate and sub ject to this Parliament and would act i an advisory capacity to it. It would, believe, save a great deal of time in re gard to the Measures brought befor Parliament, by eliminating many cause of controversy and enabling our work t be carried through in a more effectiv way and with a shorter use of time. I is proposed that there should be 300 mem bers of the council—40 Members of thi House, 20 Members of the other Hous 100 representatives of employers, 10 representatives of employés and 4 ex-officio members. There would be als a smaller body elected by it, a sort o executive council, which would meet onc a month. The object of the counci would be, first of all, to act as the norma channel of communication between th Government, the Minister of Labour an organised labour on both sides in thi country. Whenever the Minister wante to make any intimation to industry, o ask for advice, he would go as a atter of course to this highly repre- ntative body.

Secondly, such a council would save ie time of this House to a very con- derable degree. What is contemplated , that when any Measure dealing with dustry was introduced into this House would be submitted to the National hdustrial Council for detailed considera- on, where it could be dealt with in a uch more practical manner than it can e in this House. Many controversial oints would, of course, remain, but they ould be isolated from the others. A ood deal of the non-controversial matter the Bill could be put into very good chnical form, in an agreed form, and hen the Measure came to this House e should have left a number of points principle which were controversial nd which we should have no difficulty deciding. The other matters where ere was agreement could be put before in a form acceptable to those who ould be most affected by any legisla- on. I might suggest, for example, such Bill as the Factories Bill or the Unem- oyment Insurance Bill. The latter Bill ill, no doubt, be very controversial, but ren in that Bill there must be a con- derable amount of matter.

In the third place, the council would ave the duty of acting as a conciliation ody when disputes were breaking out were likely to break out. The Trades nion Council to-day, through its com- ittee, is doing and has done a great al of useful work in mediating in dis- ites, but excellent as that work is it hampered by the fact that only one de is represented. If you had employers well as employés coming as a media- on body to intervene at the right oment in disputes, still more effective sults could be obtained, and it would less necessary than now to call on the inister of Labour to intervene in what after all, the concern of industry in e first place and not that of the overnment. I hope the House will feel at at a time when we are realising more ery day the necessity for national plan- ng in all spheres of activity this project, hich I have only been able briefly to tline, is well worthy of their detailed nsideration.

It may be asked, why cannot this body set up on a voluntary basis? I agree, and recommendations to that effect have been made. If the effect of the introduction of this Bill results in stimulating interest once more and in bringing about the voluntary setting up of such a body, it would be far preferable, and I should feel that I had not intervened in vain. Certainly, this Bill would not interfere with that project, but it might help towards it, and then a Statute would become unnecessary. If we had such a body we should know that in future when we acted in this House in industrial matters we were acting with the full knowledge of the considered opinion of those best fitted in industry to give it and, from the technical point of view, best able to give us their advice. Moreover, by having a Measure of this kind we should be taking a real step forward in maintaining industrial peace throughout all the industries of this land.

Question put, and agreed to.

Bill ordered to be brought in by Mr. Mander, Sir Robert Aske, Mr. Bernays, Mr. Richard Evans, Mr. Dingle Foot, Sir Percy Harris, Mr. Granville, Mr. Kingsley Griffith, Major Lloyd George, and Major Nathan.

NATIONAL INDUSTRIAL COUNCIL BILL, "to establish a National Industrial Council; and for other purposes connected therewith," presented accordingly, and read the First time; to be read a Second time upon Wednesday next, and to be printed. [Bill 69.]

MESSAGE FROM THE LORDS.

That they have agreed to:

Austrian Loan Guarantee Bill, without Amendment.

WRITTEN ANSWERS.

TRANSPORT.

TOLL BRIDGE, SELBY.

Mr. HEPWORTH asked the Minister of Transport if he can make any statement with regard to the progress of the negotiations for the purchase and freeing of the toll bridge at Selby on the main road from Leeds to Hull?

Mr. STANLEY: I have no official knowledge of any negotiations between the highway authorities concerned and the bridge owners for the purchase and freeing of the Selby Toll Bridge, but I understand that a committee, representing local interests, are investigating the possibilities of the purchase without a grant from the Road Fund, seeing that the highway authorities have been informed of my inability to offer financial assistance towards the acquisition of the bridge.

ROADS (EXPENDITURE).

Mr. HEPWORTH asked the Minister of Transport whether, as the money expended upon road maintenance and improvement is contributed largely by users and providers of road transport, he will set up an advisory committee representative of such interests with a view to ensuring that no expenditure on roads shall be incurred other than is regarded as justifiable for the economic operation of road transport?

Mr. STANLEY: The Roads Advisory Committee, established under the provisions of the Ministry of Transport Act, 1919, comprises representatives of the highway authorities, of the users of horse and mechanical road traffic, and of labour and matters connected with expenditure from the Road Fund are considered by the committee as occasion requires.

KENYA.

NATIVE RESERVES.

Mr. MALLALIEU asked the Secretary of State for the Colonies whether any amendment has been made to Section 13 (1) of the Mining Ordinance in Kenya whereby native reserves are excluded from prospecting save with the written consent of the Native Land Trust Board; whether the opening of any part of native reserves to prospecting is subject to the approval of the Secretary of State and requires notification in the Government Gazette; and whether, and at what date, the Kakamega's area was so declared and with what limits; and whether those limits have been since enlarged?

Sir P. CUNLIFFE-LISTER: Sub-section 13 (i) of the Mining Ordinance of 1931 has been amended by the addition of the following:

> "The Governor, at the request of the Native Lands Trust Board, may appoint any Provincial Commissioner to be the delegate within his Province of the Native Lands Trust Board for the purposes o giving the consent in writing required b this paragraph."

The Ordinance does not require th previous approval of the Secretary o State before any part of a reserve i opened, nor is a Gazette notice require unless the area in question has previously been closed by Gazette notice. So fa as I am aware, the Kakamega area was never formally declared open, no such formality being necessary. On 19th March, 1932, an area of 5,900 square miles covering the rest of the Kavirond Reserve was formally closed to prospecting, and still remains closed.

KENYA-UGANDA RAILWAYS (INDIAN EMPLOYÉS).

Mr. T. WILLIAMS asked the Secretary of State for the Colonies what was the number of Indians in the service of the Kenya and Uganda Railway in the years 1921 and 1932, respectively?

Sir P. CUNLIFFE-LISTER: The information desired for 1921 is not on record in the Colonial Office, but inquiry will be made from the High Commissioner for Transport, Kenya and Uganda, if the hon. Member so desires. On 31st December, 1931, the latest date for which figures are available, the number of Asiatics employed by the Kenya-Uganda Railways and Harbours Administration was 2,208. The number of Europeans was 596 and of Africans, including labourers, 15,803.

RUSSIA (BRITISH CLAIMS).

Lieut.-Colonel MOORE-BRABAZON asked the Secretary of State for Foreign Affairs whether, having regard to the importance of a settlement of British claims against Russia, he will arrange that this matter shall be added to the agenda of the forthcoming Monetary and Economic Conference?

Sir J. SIMON: No, Sir. In the circumstances in which the Conference is being convened, it would, in my opinion, not be practicable to adopt my hon. and gallant Friend's suggestion.

WHEAT (DEFICIENCY PAYMENTS).

Mr. WHITE asked the Minister of Agriculture the amount of wheat on which subsidy has been paid to farmers by the Wheat Commission; and the amount which has failed to receive subsidy on the ground that it was not of millable quality?

Major ELLIOT: I am informed by the Wheat Commission that the valid wheat certificates on which advances on account of deficiency payments under the Wheat Act, 1932, were made in December last covered approximately 8,571,000 cwts. of millable wheat. These advances were in respect of certificates received by the commission up to 30th November last. Further certificates covering approximately 5,673,000 cwts. have been received by the commission between 1st December, 1932, and 28th February, 1933, and advances in respect of these certificates will be made on or about 25th March. I understand that actual applications for certificates in respect of 7,140 cwts. of wheat have been refused by authorised merchants on the ground that the wheat was not of millable quality. The commission have, of course, no information as to wheat which was not submitted for certification.

WIDESPREAD POVERTY.

3.30 p.m.

Mr. MAXTON: I beg to move

"That this House recognises that the widespread poverty of the people cannot be removed within the framework of the capitalist order of society, which is not progressing towards prosperity but heading for collapse, and condemns the present policy of the Government as foolish trifling with a serious situation."

This is the third time I have had what is humorously described as the luck of the ballot. On the first occasion I introduced a Bill to nationalise the Bank of England, which your predecessor in office, Mr. Speaker, ruled out of order. On the next occasion I introduced a Bill to provide a living wage for all workers in this country. On that occasion, it achieved a Second Reading, but the Labour Government which was in power at the time was unable to offer it further facilities. I am just wondering, after these two failures, what the prospects are for the Motion I have brought forward to-day. The House will observe that on the two previous occasions I was carrying out the advice which is always given by senior Members of this House to junior Members, to try and be constructive. The Motion before the House to-day shows clearly that I have abandoned the folly of my youth. It is purely destructive in its nature. It represents a change that has come over my own way of thinking as a result of my experiences in this House and in the country.

I have been driven to the conclusion that before we can start to solve the central problems confronting the people of this country, the first and necessary thing is to persuade the people of this country that their faith and belief in the existing social order must go; a definite idea must be arrived at, that society, if it is going to be a secure and decent thing for the mass of the people, must be built right from the foundations on entirely different principles from those which are operating to-day and which have operated in the past. I notice that there are three or four Amendments on the Order Paper, and I gather, therefore, that there is not complete assent in the House to the point of view which I have indicated and to the Motion which embodies that idea. The Motion reads

"That this House recognises that the widespread poverty of the people cannot be removed within the framework of the capitalist order of society, which is not progressing towards prosperity but heading for collapse, and condemns the present policy of the Government as foolish trifling with a serious situation."

One of the Amendments seems to question the existence of this widespread poverty. The Amendment which comes from the Liberal party suggests that we should set up an inquiry to find out whether the widespread poverty really exists. I had the benefit of a private conversation with one hon. Member whose name is attached to this Amendment, and he asked me how I was going to prove the existence of this widespread poverty. I said that I was going to cite private conversations that I have had with Members of this House. In this House I perpetually hear hon. Members say "I used to be fairly well off, but I am a poor man nowadays." But the type of poverty that I am concerned with is not the type of poverty that they are worrying about. The majority of the people of this country think that the man who is drawing a salary of £360 per annum as a Member of Parliament is a very wealthy man. Make no mistake about that. To the mass of the people of this country the man with an income of approximately £7 per week——

Mr. HALES: Less Income Tax.

Mr. MAXTON: Less Income Tax, and less a lot of other deductions, is regarded as being in a different world from anything they have known. That probably is as good evidence as one need produce to give some indication of the poverty of the mass of our people, but I am going to bring in support of my claim that poverty is widespread the evidence of observers other than myself, and evidence which is different from the statistical evidence of which everybody in this House is well aware. Three millions unemployed is a figure, and as a figure it is a little worse than two and a half millions, but not so bad as seven or eight millions in other countries. But it is only a figure, it is arithmetic, and the constant repetition of these figures creates a kind of mind in the politician which puts the human aspect into a secondary place. I have here a typescript copy, which I got only yesterday, of a speech delivered over the wireless the night before last by a gentleman called Mr. Howard Marshall. I do not know him, but from quiries I have made I am led to believe at he has undertaken a survey of the nditions of the people of England on half of one of the big Conservative urnals. He has been giving wireless lks on his experience since, I under- and. In this talk he described his visit Glasgow. He described the con- ituency that I represent in this House. e said:

> " It is a vast problem, then. I saw repre- ntative types of these insanitary houses in rious parts of the city, and there is no ubt whatever that they should come wn at once. They are tall blocks of uses, many of them with dark spiral stone aircases, and on each floor there are ssages where you will find several rooms to separate families.
>
> " Darkness—that is your first impression dark stairs, dark landings and dark oms. Aged—that is your second impres- n. One house I saw in Dalmarnock, half it below street level, was 300 years old. aturally it was damp and decrepit in ery way."

ind you, this is a description by a ry:

> " The Glasgow people fight with splendid irit against their conditions. The woman this house had kept it wonderfully clean. actically every family has its brass name- ate on the front door, and every plate I w was brightly polished.
>
> " But it is not the houses alone that are satisfactory. It is the way they are ouped and crowded together, so that you ay dive through a narrow passage and erge into a dirty courtyard where, as ten as not, there is an open ashpit where fuse of every kind is kept. These court- rds, and the houses which lie behind those ich front the street, are called back nds. As an example of what they are like me tell you of one I went into near the oomielaw, which is the sailor town of asgow. The courtyard here was small. three sides of it were tall tenements. yond was a factory wall. There was thus arcely any through ventilation. On one le was the communal wash-house, which rved all the houses, a tiny, extremely ualid place, with wire-netting over the ndow. Through this netting I could see woman at the copper. Outside the wash- use—and this is what worried me—right ongside the open ashpit, was her baby in pram. 'It's a dreadful thing living re,' said the woman. 'Look at those ildren.' There were three or four ungsters digging up the filth which had llected between the paving stones in the urt. A woman complained that the flies om the midden in the courtyard made it possible for her to open her window in e summer. There was a widow with six ildren who managed to joke about her mi-basement room in a house like a ediaeval castle, though she ended up by saying, 'For pity's sake get us out of here.'"

That is the terrible document of a newspaper man sent to write up interesting material for his newspaper. It is obvious that he has been convinced that the people are living in very terrible conditions indeed. There came to me yesterday, also by the post, a letter from an old friend of mine:

> " Dear Jim,—I notice that you are going to tell the House of Commons something about poverty on Wednesday. While I know that you are thoroughly conversant with the subject, I do not think you will find anything worse than the one before me as I write. My landlady, aged 53, is in bed. She is a mental and physical wreck. Night and day for the past 10 weeks we have sat up awaiting the end, which indeed will be a mercy. The woman is dead, all but the opening and shutting of her eyes. This awful condition has been brought about by poverty.
>
> " Including the father and mother there are eight in this family, four sons over 14 and two still at school. The eldest, now a man of 26, is a weakling, has never worked and receives no relief. He was some months in a sanatorium and was discharged as cured. He came home quite fit for light work, weighing eight stone four pounds. The second son, aged 22, has been idle three years. The third one, aged 17, is an apprentice slater, wages 10s. weekly. The fourth one, aged 15, to augment the family income took a job going with milk; hours 6 a.m. to 12 a.m., wages 6s. The father is a labouring man. When working his wages never exceed £2 a week. When the means test was put into operation "—

by us here—

> " the only son drawing any relief was reduced to 11s. per week. The father then had a spell of unemployment and the mother found great difficulty in making ends meet. Then one day I observed what was to me a great plot for an O. Henry. At one end of the table sat the young man; at the other end sat his mother. They were both trying to assure each other that they were well. They tried to persuade each other to take a little nourishment which the mother somehow had obtained. As I witnessed a scene, I knew how ill they both were.
>
> " I took the young man to the medical officer of health. As a discharged patient from a sanatorium, I thought it was the medical officer's duty to prevent this man from falling a victim to the scourge. I was wrong. The medical officer could do nothing until another doctor certified the patient. The man's weight had now gone down to seven stone two pounds. In a poverty-stricken home it was hard to pay for a private doctor, but more sacrifice had to be made to get the man medically attended. Eventually I got the private doctor to give me a line to the medical officer stating that

[Mr. Maxton.]

the man was threatened with tuberculosis. The medical officer, apparently with economy in mind, would do nothing until the man was X-rayed and consumption revealed. I was sent to Ruckill Hospital. Daily in that place you will find, as I did, queues of young men affected by the means test sent for examination because tuberculosis is suspected. My visit to the hospital went for nothing. The plates did not show consumption. I took the man home, not as one wanted, but to tell a distressed mother that her son was unfortunate and could not get sanatorium treatment because his health was too good. Is not that a hellish condition? A mother has to feel sorry because her son has not consumption. At the end of a month I went back to Ruckill. I do not know what the plates foretold this time, but the man got away to a sanatorium for two months. When he came back his mother's health was in a precarious state and it meant another mouth to fill without an extra penny to do it. It drove the woman crazy. She lies now in the condition I have already stated."

The letter goes on to describe further depths of misery and suffering, but I leave it at that. I do not wish to harrow the minds of the House or my own feelings on this matter, but I hope that I have brought back into this Chamber a full sense of the human aspect of our work here and a full realisation of the terrible human consequences of the things which we may do or leave undone here from day to day. I turn from that, assuming that the House now accepts as proven the existence of widespread poverty in our land, of poverty which we cannot wipe aside by saying that it is not so bad, and that there is nobody who is not managing to get along somehow, and that kind of thing. That is not human. That is not defensible and as is shown by the previous quotation which I gave the conditions that are to be found in Glasgow are to be found in every other big city in our land.

Since I have been in this House successive Governments have gone on the assumption that they were dealing with a temporary condition of things out of which one day we were going to emerge into the bright sunshine of prosperity. We always talked, and we talk still, of the day when normal conditions will be restored. I cannot remember during my life any normal conditions that I want to see restored as far as working-class life is concerned. We are suffering here from a variety of that type of thinking which has always been found where people look back to some golden age of the past. We look back to-day to some golden age when people were well off. I do not know when it was. I cannot remember any time during my boyhood or early manhood when people were really well off. There is no normal situation such as a situation of prosperity for the mass of the people.

During the whole of last century while capitalist industry was expanding, when British industrial and manufacturing prestige was practically unchallenged in the world, when we were penetrating into every corner of the globe, when the Empire was expanding, the people at home were in desperate poverty always. To pass through this period of disturbance into smoother waters, as far as I can judge, is really the aspiration not of the common people but of the capitalist class, who, certainly, can look back to a time when profits were easy to make, when businesses were easy to build, when new enterprises were easy to project and carry to success. That is what is being looked forward to as the "normal times" and the "good old days," and, undoubtedly, there were great days in the last century for private enterprise, but there were no great days for the common people.

Mrs. COPELAND: In those days you had more people employed.

Mr. MAXTON: I am just wondering where the interruption connects with what I was saying. It is true that there were periods when a larger proportion of the then population was employed than is the case to-day, but they were employed under conditions of abject poverty. I have waited for 10 years for this temporary phase to pass. Every year responsible Ministers of the Crown have told me that prosperity was to come in the following year. Whatever kind of Government sat there, next year was always going to be the great year of delivery—until a couple of weeks ago when the Chancellor of the Exchequer, with very great bravery and great wisdom, postponed his prophecy from next year until a date 10 years hence. That is much safer. It is longer before your lie is proved. It was honest and brave to say it, but the statement was essentially untrue, because there is not going to be prosperity under the capitalist system at the end of the 10 years, any more than there has been prosperity at the end of the previous one-year periods. The only difference is that there is the hope that you will not be called to account so soon for the failure of your prophecy.

I want to put our Socialist view of the situation. We believe that we are living in a revolutionary age, one of those periods in the history of the world that have been repeated again and again in which one form of economic or social order, having worked reasonably well and satisfied the needs of the people for a certain time, becomes obviously unsuited to the existing conditions. Everybody becomes dissatisfied, and evidences spring up of the decay and deterioration of the system. There are any number of evidences to-day of the deterioration and decay of this system. The institutions of the last century, monarchical or Parliamentary, are falling into disrepute in every corner of the world. Legal procedure, conceptions of political liberty, ideas of political tolerance—all these, if not gone, are suspect even in our own land. Financial institutions are ceasing to have the confidence and regard of the people. Large-scale fraud and dishonesty begin to evidence themselves among those who are controlling and directing large enterprises. We have only to look at our newspapers to-day to find that in our own land there are some gangs who regard it as reasonable and intelligent to organise definite commercial crime for the sake of enriching themselves.

In every corner of the globe we find exactly the same thing. Last night we were trying to set right the affairs of Newfoundland from here. Some other time we hear about a Kreuger in Scandinavia. Another time we hear about corruption and graft of one kind or another in the United States of America. All the evidence goes to show that the moral codes which supported the institution are falling rapidly into disrepute. All these revolutionary ages have always terminated in the uprising of some new class with new demands and new ideas which make a definite break with the past in this country as in other countries. The outstanding example in this land was the Cromwellian revolution, when a new class springing up felt it necessary for their progress to curb the power of an autocratic monarch and to devise a political machinery that should place power in the hands of the rising influx. Similarly, there came along the rising manufacturing class which developed in Lancashire and Yorkshire, and made Free Trade its great political principle. We are at another revolutionary age, more fundamental than those which have taken place before, and that revolutionary situation has not developed merely in Great Britain, but is to be seen in every corner of the globe. We boast that England always faces these difficult situations more capably, more courageously and more benevolently than any other country in the world. If that be true, never was there a time more than now to demonstrate its truth.

What have we done? When the crisis came upon us in 1931 in an acute form a Government was there capable of perceiving it, because it was there before and it is here now. But in 1931 it had been thrown up in a clearer and more acute form. The disease has been there all the time. In 1931 the temperature was high. It is capable of going higher and higher. What was the real essence of the crisis of 1931? I have seen nothing presented so clearly to the mind as the statement which was made in a special issue of the "Economist" about a year ago by Sir Henry Strakosch, who said that, taking all the consuming power of the world in 1929 as being represented by the figure 100, the commodities in the world to meet that consuming power of 100 was represented by the figure 84, or roughly 10 months' supply. In 1929 there were in the markets of the world goods sufficient to maintain all the people of the world at their then rates of consumption for the ensuing 10 months, supposing not one stroke of work was done during that period. Then, he said, by July, 1931, that figure of 84 had increased to a figure of 230. That is, in July, 1931, there were in the markets of the world goods sufficient to maintain the people of the world, on the standards to which they were accustomed, for two years and three months following, supposing no stroke of work was done in the interval.

Then came the crisis. From the beginning of history men had dreamt of an age of plenty, a period at which mankind would arrive when all the problems of material existence would be solved. There would be abundance and there would be ease. It arrived in July, 1931, and immediately the statesmen cried,

[Mr. Maxton.]

"Crisis! The world's markets are glutted with goods. Tighten your belts and face privation." Since that time this House of Commons has been guided by this Government, which contains within its ranks the most distinguished statesmen that the three parties in this State has thrown up in the last 25 years, all of them with a free mandate, because the electors said, "Do anything you like. There is the power, and take it in lumps. Suspend the normal workings of our Parliamentary machine. Alter the British Constitution in any way you please. Change our whole basis of taxation. Alter our whole method of international trade. Impose more severe taxation on us, and reduce us all to a lower standard of life, but make the system work so that we will all get back into jobs again." The House of Commons has not interfered in any serious way. The Government have been allowed to do everything that they wanted to do and could think of doing. After 18 months of continually imposing heavier and heavier privations on the people, the last state is worse than the first.

The one thing on which the Chancellor of the Exchequer based his claim to be meeting the situation was the fact that now money can be got at very low rates of interest. That is the success of the Government—there is now money available at very low rates of interest. But that is nothing to be proud of. That is an additional evil symptom. You get your unemployed machinery and, of course, there follows surely and certainly, as the night the day, the unemployed man. And just as the unemployed man means low wages to the employed man, so unemployed money means low rates of interest for money that is employed. That should not be taken as a sign that we are moving towards prosperity, but as another sign that we are moving towards collapse. From this side of the House, and sometimes even from the other side, there have been calls for some amelioration of the lot of the people, which has always been met with a blunt refusal.

The basic cause of the trouble is that the people are poor, and every proposal that is made to make them less poor is rejected with scorn. Whether it is the unemployed man, the sick man or the employed man on low wages, there is a refusal to do anything to alleviate the conditions, and always the reply, which I am accepting, that it cannot be done without bringing the system down in collapse. That is the answer. If you ask for the absorption of the 3,000,000 unemployed by distributing the labour over the whole community by reducing hours, it cannot be done. If you ask for better benefits for the unemployed, we cannot afford it. If you ask the Government to maintain the housing subsidy, and to make a big drive to get everyone in a good house, it cannot be done. I agree. You have proved your case too well. Your capitalistic system cannot relieve the people of poverty, and it is no good for my hon. Friend the Member for Mossley (Mr. Hopkinson) and his colleagues of Worcester College, Oxford, coming and telling me that what we have to do is to go back to that glorious age before the industrial revolution, when each man sat under his fig tree which he had planted. It is a beautiful dream, but quite impossible. If he and Worcester College study their history, they will find that, for good or ill, you cannot go back to the past. You have got to make up your mind that the present cannot continue, and you have got to make up your mind consciously to go into the future boldly and with courage. The mass of the people, particularly the upper and middle classes, are afraid to face the future, afraid to go boldly forward facing the world with their hands and their brains. They are afraid that if they have not go their stocks and shares and estates, life will be too difficult for them. The educated people, the aristocracy, the blue-blooded people are afraid to face life; the captains of industry, the great bankers, are afraid to face life on the same conditions as that poor woman in my division who faced it with a laugh. Unless this nation can believe in an age of plenty and this House can plan for an age of plenty, a plenty in which all of us will participate, then the people outside are going to sweep up, as they have swept up before, and wipe us and this institution out of their way, and bring in their own social order, in their own way, by their own methods.

4.16 p.m.

Mr. WALLHEAD: I beg to second the Motion.

It is a long while since the case that we desire to present has been placed before the House of Commons in such moving and eloquent terms as have been used this afternoon by my hon. Friend the Member for Bridgeton (Mr. Maxton). My fear is that the few remarks that I may have to make may detract from the force of my hon. Friend's eloquent statement, because I do not feel it possible to add much to what he has already said. The question of the poverty of the people has been discussed many times in this House during recent months. I dare say there are those Members of the House who charge my hon. Friends and myself on this side, and not merely just this group, but my hon. Friends above the Gangway also, with too much iteration of this fact. At any rate, we propose, as long as the condition of the people remains what it is, and as long as we are here, to put their case with as much iteration as the case for other sections of the community has been put on other occasions by those who represent them. John Bright declared that the secret of agitation was constant iteration, and, however monotonous it may become that this case should be put, it will be presented, because it is the most important question which this country, which this House, and which the world have to face at the present moment.

I have discovered since I have been in this House that, as a matter of fact, we are always engaged here upon the question of poverty. Most of the legislation in this House arises from poverty. We very rarely legislate for any section but the poor. We are always dealing with the poor. Are they sick? Can we afford to keep them well? Can we afford to maintain hospitals for them? Can we afford to insure them against unemployment? Can we take half-an-hour off their day, or add 1s. a week to their legal wage? Always this House spends its time in discussing the question of the poor—a remarkable situation—but we never consider how rich we can make them, how we can utilise our resources to put them above the reach of poverty. We only discuss how to escape the immediate dilemma by handing out some little palliative that will keep the sufferers quiet until the next row takes place, when the next election comes along; and then we all say once more, "Send us back, and we will show you what we will do to rectify these evils."

Like my hon. Friend the Member for Bridgeton, I have looked at the Amendments on the Paper, and they are very remarkable. Those hon. Members who have put them there want to know whether there are these poor people, how many there are, what is the incidence of this poverty. But what is the essential difference between the condition of the people now and the condition of the people when Sir Henry Campbell-Bannerman declared, in 1905, that 30 per cent. of the people of this country were perpetually on the borderline of poverty and starvation? What has changed since then? Let it be remembered that that declaration by Sir Henry Campbell-Bannerman, and the fact that it could not be disproved, was the death-knell of Free Trade. It killed Free Trade, and it meant the rise of the Labour party. It meant the rise of the working-class party, and what we have to be careful of now is that that rise of the working-class party does not become so enmeshed in the idea of saving the situation for the capitalist section of society, that they will adopt the worn-out shibboleths of the party that preceded them.

The hon. Member for the Mossley Division (Mr. Hopkinson), in his Amendment, says we must escape from Socialistic legislation. From what Socialistic legislation in particular are we to escape? Shall we go back to the time prior to the Factory Acts? Shall we go back to the time when this House, against its will, was compelled, in sheer mercy, to come to the rescue of the people here, so poverty-stricken and broken that the world knew there was no hope for them other than the help this House could give? Is that the Socialistic legislation from which we are to escape? We are constantly told that you cannot change human nature, and I believe that is true. Human nature does remain practically the same. This House always has to say, "Thou shalt not." That has been the great emphasis of the so-called Socialistic legislation. "Thou shalt not" work children 12 hours a day. "Thou shalt not" adulterate foodstuffs. "Thou shalt not" make thee a yardstick 35 inches long. It has always been "Thou shalt not," and if it has not been that, it has not been worth having. The rule of unrestrained capitalism, which has been the foundation of everything done here, has led to this position.

[Mr. Wallhead.]

Then there is another Amendment on the Paper, that tells us that we have not yet got sufficient Protection. I give every section of the House credit for sincerity. We all have our beliefs and points of view, and we all hold them sincerely. Naturally, we emphasise our points of view; but Protection? Surely, if there is a discredited system anywhere, it must be tariffs.

Mr. DINGLE FOOT: Socialistic legislation.

Mr. WALLHEAD: Anyhow, it has failed, and the outstanding failure, surely, is the United States of America. If there is a failure of Protection to protect the people of any given country, surely it is exhibited in the United States of America to-day. There are also those mortals who look to a changed currency, a managed currency. None of these things will work. Some may work for a time, but none will alter the facts of the case in any permanent manner. I agree with my hon. Friend that since the time when he and I first entered this House, we have listened to very many prophecies. Always we have been going to turn that mythical corner. Now, as has been pointed out, we do not expect to turn it during the next 10 years. I was asked my opinion about that statement of the Chancellor. Did I think he was too pessimistic? I think he is too optimistic. I think he is entirely optimistic.

Fancy talking about a solution 10 years hence. The next 10 years will superimpose their own distinctive problems upon the problems already existing. It must be apparent to even the foggiest thinker that as time progresses, science progresses faster than man's capacity to deal with its output. I speak as a layman, and I speak probably in the presence of those who know far more about these things than I do, but I suggest, with all modesty, that starting from where we are to-day, the next 10 years are likely to see greater scientific and mechanical changes than any previous 20 years through which this country has passed. If that is even approximately true, the next 10 years will superimpose upon our immediate difficulties a new set of difficulties entirely of their own, which will want dealing with in their own way. Obviously, the forces which have caused our present distresses will continue, and even if, to use the Prime Minister's phrase, we took away these 2,000,000 of scrap and wiped them out completely, the next 10 years would produce their own 2,000,000 of scrap; the wiping-out process would go on eternally, and at the end of it all we should be precisely where we are at the present moment.

Statements have been made by eminent gentlemen on the situation that confronts us, all showing the tremendous amount of bewilderment that exists in the minds of men who do not agree with the point of view accepted by my hon. Friends on this side. I cannot give the exact dates when these statements were made, but they were about the time of the crisis of 1931. The right hon. Gentleman the Member for Carnarvon Boroughs (Mr. Lloyd George) said this:

> "It is very extraordinary and very odd that we should be suffering from the overproduction of the things we all want."

The right hon. Member for Epping (Mr. Churchill) said:

> "The modern world is suffering from the curse of plenty. Who could have thought that cheap and abundant supplies of all commodities should find the science and civilisation of the world unable to use them?"

Of course, they have been jerked out of their wonted channels. Their orthodox political economies do not meet the new conditions. Adam Smith cannot deal with this situation. Adam Smith wrote his wonderful "Wealth of Nations" in a time of scarcity, and it does not explain an age of plenty. It does not pretend to deal with it. This age of plenty finds the Adam Smiths unprepared with theories as to why it arises and how it can be dealt with. Here is ex-President Hoover; he is talking about the conditions in the United States at the time when the economic blizzard struck them:

> "We have an equipment and a skill in production that yields us a surplus of commodities far beyond any compensation we can usefully take by way of imported commodities. There is only one remedy, and that is by the systematic permanent investment of our surplus in productive works abroad. We thus reduce the return we must receive to a return of interest and profits."

Ex-President Hoover visualises an export of American commodities demanding no effective return beyond interest and profit; no return from the point of view of goods of equal value or equal quantities. That is a pretty good position! We must, he says, export and take back only the profits, and when we have got the profits we must export them and must go on exporting and taking in order that we may go on exporting and taking again, but we must never imagine that we are going to consume these goods ourselves. This country is in the same position. Mr. McKenna, speaking to the American Association of Bankers, said that we were in the same position and that we could only now export on long credit; otherwise, we were bound to smash. That brings its own answer.

May I put this in conclusion. Here we are—and I think the hon. Member for Mossley will agree—living in a wonderful world, in a scientific age and a world in which science and inventiveness have advanced far beyond what any man dared dream 50 years ago. James Watt, tinkering over his kettle in Glasgow in 1774, could not by any stretch have imagined what the outcome would be. The world could not have imagined it. All the wonderful things of science and invention have been handed over to the hucksters. Instead of being dealt with in the scientific spirit in which they were evolved, the hucksters have dealt with them and said: "These shall not be used unless they yield a profit." We are practically masters of the material world. Man is so powerful that he can dive to the depths of the ocean, and with a naked light he can carve up steel as a hot knife carves through butter. He can soar in the air at 20,000 feet and sail along at 250 miles an hour. He has circled the globe. He is master of the ether, and he can hear speeches from Australia, 17,000 miles away. We can do wonderful things, but we cannot feed ourselves adequately, we cannot clothe ourselves properly, and we cannot erect habitations of a decent character in which to dwell. Until we have become masters of these material things so that we can satisfy our material wants, until we can bring leisure of an ennobling character to all mankind and satisfy mankind's material, ethical, and spiritual needs, this system must be accounted a failure. We sincerely believe that it will and must fail and that it will ultimately be replaced by that system which hon. Members ridicule, but which to us brings a measure of hope because we believe that only when these things are owned and controlled by the people as a whole will they be used in the interests of a classless community.

4.39 p.m.

Mr. O'CONNOR: My hon. Friend the Member for Bridgeton (Mr. Maxton) introduced a note of sincerity and deep passionate conviction for which we always look from him, and I am sure that many Members of the House felt with me that it was good on occasions that our complacency should be shattered, even if ruthlessly, by a speech such as that to which we listened, which opened the windows and brought home to us from one who knows the facts as well as anybody in the House the devastating circumstances of poverty in which so many of our people live. It seemed to me that the hon. Gentleman's speech really fell into two parts which were not very well related. He first referred to the human aspect of the poverty problem, and that part of his speech captured the sympathy and imagination of all of us. One might have pointed out, perhaps, that much of the devastating poverty that he described could equally well be found in Soviet Russia or in other systems of society than our own. One would not quite agree with him that the industrial advancement of the nineteenth century had brought no advancement to the wage earner. Probably it would be more nearly true to say that the wage earner in work to-day is better off than he has ever been, and that the man who is unfortunately not in work and has to be maintained on the dole is probably maintained better than the man in full work 40 years ago. These are statements that can be established on economic foundations, but, at the same time, they do not leave us with any sense of satisfaction.

We followed the hon. Gentleman with sympathy and approval in the criticism that he made of the economics of gluts. There is nothing that stings the social conscience of mankind so much as this possibility of enormous productive capacity and bountifulness of nature, and at one and the same time the inability to distribute the products of nature or of the machine. In that matter we agree with the hon. Gentleman whole-heartedly. What I listened for in vain was an answer to two questions which arose in my mind

[Mr. O'Connor.]

when I read the Motion. These were—what exactly is the hon. Gentleman attacking and to what does he ascribe the fundamental features that he has described, and what would he put up in its place? At the end of his remarks he seemed to be attacking something that none of us on this side of the House would be prepared to support. The hon. Member for Merthyr Tydvil (Mr. Wallhead), in the very powerful speech which he has addressed to us, also attacked it. It was the rule of unrestrained individualism, the chaotic anarchic individualism, the industrial apostasy of the nineteenth century. That was the target of his attack. If he is attacking that, he will find many friends here. We certainly never intend to see again or to re-erect that shoddy structure which used man as its material and passed him on to the scrap heap at the end of his working life without provision for his old age or ill-health or the incapacities he sustained in his working life. That system has gone for good.

The constructive problem is what is to be substituted in its place. It is there that we do not get very much help from my hon. Friend or from hon. Members on the other side. To them capitalism is a fetish. It is a bald unpleasant name which covers a multitude of sins, and which, as both the speeches to-day have shown, serves for hon. Members opposite to describe the discredited industrial structure of the nineteenth century. To me capitalism is no fetish at all. It is merely an expedient, a method of giving the highest possible incentive to the human being to do service. If any better expedient can be devised, I shall co-operate with the hon. Gentleman in bringing it into operation. The hon. Gentleman really approached the mark when he said, as he said in another speech recently, that the mandate that was given to the Government was to make capitalism work. I prefer the phrase individualism—to make individualism work. This Parliament has a great chance of devoting itself to that task. In a few constructive remarks I want to throw out, merely as indices, the sort of way in which I should like to see that problem approached.

This fundamental cleavage at once becomes between my hon. Friend and me, that he believes that private ownership or individualism is a bad thing, and I believe it is a good thing. I want to see it spread as a fructifying incentive among our population. He cannot believe that, and therefore it does not come within the ambit of his philosophy to disseminate it. To me, as I say, there is something ennobling in the incentive ownership gives which, up to date, one has not been able to find in any other system of society. What are the methods by which constructively we can extend ownership so as to poise our society upon a surer foundation than that upon which it rests at present? I am wholly against irresponsible talk about the wholesale cutting down of social services. Those services, introduced in the early part of this century, were established for the purpose of shoring-up a system which had evaded its responsibility, and it is on their existence that the system as we know it has survived during the last 25 years. But, on the other hand, those services have been, and are increasingly becoming, *rentiers* upon the very capitalist system which my hon. Friends are always deriding. They were erected in a haphazard way, no one stopping to work out actuarially what the cost was going to be or where the burden was going to fall, simply because there were enormous reserves of the capitalist system, in the shape of great estates and great fortunes, which could be taxed at heavy rates. Because there were those great deposits to tap it has been possible to go on pushing forward these services in a haphazard way without any relation to the earning power of the community from year to year.

The first thing we ought to realise is that we must fix some proportion between the amount of money annually spent in the form of social services and the total national income. The present haphazard method must inevitably keep wages low, and as, in my belief, high wages are the secret of a property-owning democracy, I am against ill thought-out methods the effect of which is to keep wages low. Professor Henry Clay worked out some little time ago, in a most interesting paper, the effect of the development of the social services upon wages, and came to some remarkable conclusions. He told how, as the social services increased, the wages curve, which had been rising, tended to flatten out and, ultimately, to droop, showing that the burden of communal expenditure upon industry acted directly upon wages, I believe that to be perfectly true, and I think we have got to determine, as a matter of policy, what is, roughly, the right proportion of the national income to be taken by the State and spent on behalf of the individual. My hon. Friend's philosophy would lead him to the attitude that ultimately the maximum expenditure ought to be undertaken by the State and the individual left with a pittance in his pocket to be used as pocket money—to buy himself cigarettes with, if he wanted them. Our philosophy is at the other end of the globe altogether. What we want to see is the State taking the lightest possible toll of the individual and leaving the largest possible amount of his earnings in his pocket, and it ought to be the business of Government, according to my view, so to direct the surplus expenditure which the individual retains as to enable him to found for himself a stake in his own community.

We ought to recognise the direct toll which taxation is levying on the wage earner at the present time. We hear a great deal about direct taxation, but much less of the indirect taxation which impinges on the wage earner in order to provide the Government with money to spend collectively for him at almost every turn of his life. He is taxed in the matter of beer, tobacco, petrol, unemployment insurance, health insurance, import duties, rates, entertainments and so on—there are a score of taxes, the effect of which in the aggregate must be to deprive the wage earner of spending and saving power to a very considerable extent indeed. I think it was Mr. Morrison who, in an illuminating paper written shortly after the last election, pointed out the obvious truth that the time has come when the development of the social services must be paid for by the wage earners themselves, and that it is for them to consider whether they prefer their money to be communally spent or whether they desire, as I feel they would prefer, a system in which they will have a surplus of their own to invest as a stake in the country. We ought to strengthen by every means possible the machinery of collective bargaining, so as to ensure that no industry may come to the State for assistance in any of the many ways in which the State can assist industry without being in a position to present it with machinery for fixing fair wages, fair standards of hours and, if possible, bargaining as to the distribution of the proceeds of the industry among all those engaged in it, whether employers or employed.

I want to see an all-in insurance scheme adopted by the Government and coupled with a bonus, payable either in cash or land, at a time when a man is thinking of retiring from the industrial field, so as to induce as many people as possible to go out of industry armed with some small capital sum or with land with which they can perform useful service for their declining years. I want, above all things, to see the Government more active—perhaps that is unfair—to see the Government pressing forward by every conceivable means with the consideration of the question of the hours of labour. I was extremely glad to hear from my right hon. Friend the Minister of Labour the other day that there was no foundation whatever for the belief which has been disseminated that the Government are not enthusiastic about attempting to reduce the hours of labour. What advantage can it possibly be to the wage-earners of this country that they should see each advance of science cutting away from them their employment? Yet such is the case at the present time. Every advance in ingenuity, every new piece of machinery, instead of being hailed by the workers as being the greatest conceivable blessing to them, as lightening their toil, is looked on by them with terror and fear as depriving them of the means of earning their daily bread. I hope that in co-operation with the trade unions it will be possible to make an advance along the lines of seeing whether, in selected trades to begin with, the amount of leisure cannot be increased.

Every Government seems to be pursuing a mad reverse of the ideal in this matter of employment. Obviously the whole process of civilisation ought to be to unemploy people, not to employ them. The progress of civilisation ought to bring more leisure, and the problem of the next 25 years is not how to get more men at the loom but how to give people education and the equipment with which to employ their leisure. Following on what my hon. Friend was saying, that

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industry had brought nothing to the wage-earner of to-day, but that conditions were as bad as they have ever been, one remarkable fact meets the eye. During last year, a year of unparalleled depression, a year of taxation which burdened and crippled the rentier and the capitalist, the small wage-earner of this country saved £7,000,000 more than he did in the previous year.

Mr. MAXTON: Where does my hon. and learned Friend get that figure?

Mr. O'CONNOR: I think it was stated by the Chancellor of the Exchequer or the President of the Board of Trade. The new investments in the Post Office and in War Savings certificates amounted to £7,000,000 in the last year.

Mr. MAXTON: Will either the Chancellor of the Exchequer or anybody else assert that that is due to investments by small wage-earners?

Mr. O'CONNOR: I should rather doubt whether my hon. Friend is right about that. In the case of War Savings certificates, I think the people with the higher ranges of income already had their quota of them, and therefore the purchases of last year represented purchases by people who had not previously held them and who presumably came from the wage-earning classes.

Mr. MAXTON: I do not want to interrupt again, but this is a point. The explanation has been given to me that these investments, not merely in War Savings certificates but in co-operative societies and friendly societies, are the proceeds of the sale by small shopkeepers of their businesses. They were being unsuccessful or they were wound up, and those people have been putting their investments into funds of that description.

Mr. O'CONNOR: There is no doubt it is a matter which is not readily susceptible of proof. Perhaps we might be on safer ground if I said that these savings, both in War Savings certificates and Post Office Savings Bank deposits—even a better test—come from the area of the extremely small capitalist, the capitalist who is a wage earner or has a small business. Wherever it comes from, however, there is something like £7,000,000 more of small savings. And what is it doing? It is lent to the Government. It is the business of the Government, in my opinion, to redirect that saving. The great capitalist is not going to be able to finance industry in the future, nor do we want him to do so. What we desire to see is an inflow of capital from those small sources into the industries of the country, and every possible step should be taken by the Government to assist that flow, so as to spread property much more widely than it is spread at the present time, and give to the small individual the responsibility we all want to see him have for the industrial development of the country.

How is that to be done? I think it could be done, in the first instance, by an alteration of the Trustee Act, which is long overdue. I would like to see the prior charges of approved industrial undertakings placed upon the Trustee Act, to see in that way the small savings of the people diverted into those channels. It is their responsibility now, because I do not think the great capitalist is going to be able to do it much longer. He is far too keen to put his money into Government debt. It is essential that we should start a flow of small savings into the industries of the country—into approved securities, I would say, because nothing could be more fatal than to land small capitalists in a few more Hatry crashes. It might be done by a simple alteration of the Trustee Act. I think it ought to be coupled with some kind of—not perhaps an investment board, but some kind of certification by the Board of Trade of new issues, so that there would be some information given to the public, without engaging the responsibility of the Government, to ensure that the wastage of savings in the last 10 years is not going to be repeated. The inclusion of prior charges in a trustee list would also give the Government the opportunity of satisfying itself as to the conditions prevailing in an industry which sought inclusion, and that could be used as a definite method of giving the Government some control, and of giving some incentive to industry to see that good wages and conditions and fair profit-sharing prevailed within it.

The development of the deposits in the building societies must fill us all with satisfaction, even in these hard times. A note of warning is worth sounding in that connection. I do not know whether everybody has visualised the problem that the building societies are building up in the next 25 years. You run a great danger, unless you make house property liquid—which sounds a contradiction in terms—of facing a period when your population will be to some extent immobilised, because people will own their houses and will not be able to sell them, and if they want to move to another district they will not be able to walk away with them. Side by side with building development, the Government ought to consider whether it can set up some kind of corporation which shall have the assets and the means of disposing quickly of house property, so that the small investor in house property may be able to dispose of his assets when he wishes to change his district or his employment, or when he dies. In the new capitalist order, as I visualise it, you have to give the small capitalist the same advantages as the great capitalist had. The capital of the great capitalist was always liquid. He had his stock exchanges, his auctioneers and his different methods of turning capital into cash. It would be wise, in view of the great development of the building society movement, that some consideration should be given to the possibility of making capital of that kind more liquid.

I will conclude on this note: Like the hon. Member for Merthyr Tydvil, I am no pessimist. I look forward to an era of enormous prosperity, of greater prosperity, probably, than the world has ever seen. I believe that we are only suffering growing-pains at the moment, and that it would be a mistake to face the prodigality of nature and the inventiveness of man with fear, frightened of the future. In the new order that is coming, it is in the dissemination of ownership, the spread of responsibility among the people, and the linking of a whole democracy into a property-owning community, that the stability and the prosperity of the country lies.

5.4 p.m.

Mr. HICKS: I rise to support the Motion moved by the hon. Member for Bridgeton (Mr. Maxton). I was particularly impressed by the manner in which he moved it, and by the facts that he offered so effectively in support of it. The hon. Member for Central Nottingham (Mr. O'Connor), in his contribution to the Debate, stated that the hon. Member for Bridgeton had excited the sympathy of most hon. Members. That is very true. I do not say that in any mean spirit. I am sure that there is nobody in this House or outside who can view with complacency the extent of the poverty and handicap to which millions of our people are subjected to-day. The hon. Member for Central Nottingham, as I have no doubt other Members from the Government Benches, will be saying that Socialist proposals for a solution will not get us anywhere. He said that we regarded capitalism as a fetish. That is not correct. Capitalism is very real; it is not a fetish. Its ramifications and its ravages are too extensive for us to regard it in any sense as a fetish. The hon. Member also said that he wanted to see individualism brought back. He is asking the Government to work individualism. How can you make a central Government responsible for individualism? It is a contradiction in itself.

The fact is brought out in very bold relief that Governments are more and more called upon to deal with issues that private individuals were previously able to deal with. With the march of economic development, Governments will be called upon more and more to deal with the problems arising therefrom. Governments will not be able to escape responsibility for industry of any magnitude which is necessary for the general life of this country. You cannot expect me, in speaking to this Resolution, to agree with the policy of the Government. I regard the Government as the representative of capitalism and landlordism, and a very efficient representative at that. They have used this House and its machinery to steam-roller through any legislation or any Measure that they have considered necessary to bolster up vested interests, in any degree that they have considered right.

I heard the cheers when the hon. Member for Bridgeton was referring to the fact that the Chancellor, in the brave statement which he made the other day, said that we must look forward to another 10 years before we are able to get out of the difficulty. The Government and its representatives are prepared to accept and to face the prospect of another 10 years of unemployment. I

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would like to see where the proposals to stop that are coming from. The Government's only line of action appears to be piling on taxes, lowering wages, stopping public works, preventing the development of housing progress and cutting down social services. That is the sort of thing the Government have done since they have been in office, and the burden upon our menfolk and womenfolk in the country has become a great strain. It is impossible to conceive a more amazing moral or mental bankruptcy than that of the Government in their proposals for dealing with the situation. The Government must be regarded as the political executive of capitalism in Great Britain. I would say that very definitely. All phases of its policy have been directed towards maintaining, conserving and advancing the capitalist interests in this country.

I can hardly agree with the part of the Resolution which says that the Government are "trifling." What the Government have done has been more than trifling in the way they have lowered human standards in the workers' homes in this country. The Government is no foolish lamb, stupidly trotting its way to the slaughter. Whatever stupidity may be alleged against this Government, I am sure that the Government cannot be accused of innocence. The men in our Government are men of keen intellect, great public knowledge and experience, and great capacity. I suppose that it would be very difficult to find men in any Government who have had a richer experience than the men in our Government. They represent the present social system and all that it stands for, and the enormously wealthy and infinitely resourceful capitalist class of Great Britain. Yet they are paralysed with the problems that the system has thrown up.

The Government have at their disposal all the accumulated knowledge and the vast literature that has been written upon the subject, all the probings of the Royal Commissions and the work of all the great economists, every one contributing to an analysis of our present system. The Government have colossal resources, great organisers, great administrators, scientists, engineers, electricians and technicians; they have land, plant and machinery. Nothing is short, either in material needs or in capacity, experience or information. The "Times" newspaper, on 7th January, 1933, wrote this very remarkable passage:

> "In practically every branch of production machines are now performing in a few hours tasks which formerly required the handiwork of many men for many days; and the power of the machine to stimulate the production of mines and of factories is supplemented by the power of scientific discoveries to stimulate the production which depends upon growth. It is as true to-day that the scientist can make two ears of wheat grow where one grew before as that the engineer can mine two tons of coal where one was mined before. The productive capacity of the twentieth century State is, indeed, almost without limit, and in the world as a whole there is either actual or potential abundance of food, clothing, and heat—to mention only the prime necessities of life."

That is the contribution of the leading organ of Toryism in this country to the problem with which the Resolution deals. There never was, in the history of human society a Government with such opportunities as this Government, and yet, having such opportunities, their contribution to the solution of the problem has been very small indeed.

In the modern world, where industrial development, science and invention have reached their apex of achievement, to be discussing the fact that we are adding to the misery of the people and to the numbers of the unemployed, suggests either very callous indifference to human welfare or that individualism, in rising superior to social responsibility, is bankrupt of capacity to deal with the situation. Of the 45,000,000 people in Great Britain, roughly 40,000,000 are living a very uncertain existence; they are either working for wages or are dependent on wages for a livelihood. Their opportunity in industry is very insecure, irregular and uncertain. The general conditions under which they are living have been inquired into by commissioners from our big national newspapers—the "Daily Herald," the "Daily Telegraph," the "Manchester Guardian," the "Evening News" and others—whose energy and capacity we all very much appreciate. They have told us of the abominable overcrowding and the slum and housing misery of millions of our people. A very large number of those 40,000,000 people are still, as regards housing accommodation, without the ordinary decent requirements for a civilised existence. They are existing in slums which are vile and foetid and vermin-ridden. The reports from investigators, medical officers of health and others, will show that rats and mice abound in very many instances. And yet, in this age of great capacity, with science and invention available for harnessing to industry, hours of labour that could be employed in putting those conditions right are idly cast away at the Employment Exchanges.

On the question of employment and the reduction of unemployment, I agree with the hon. and learned Member for Central Nottingham (Mr. O'Connor) that one of the problems that we shall have to consider seriously in the near future will be the organisation of recreation as well as of work. That is a problem to which the House might well devote some time. The number of people such as I have just referred to, who are living in our slums, is estimated at over 3,000,000, and it is generally accepted by social workers that that is an under-estimate. Even the ancient troglodyte—the cave dweller—had a certain range of opportunity so far as fresh air was concerned; he was not imprisoned under such abominable conditions as many of these people are. I wonder whether some of our people do not ask themselves sometimes what the centuries of civilisation have contributed towards their human happiness, and whether they are better off in their general conditions as a result? The hon. Member for Bridgeton (Mr. Maxton) mentioned some of these terrible conditions in his own constituency, and they can be multiplied in every constituency—in every industrial constituency, at any rate—throughout this country. The 3,000,000 unemployed with their families comprise at least one-sixth of the total population of this country, and the present Government, by its general policy in regard to cutting down social services and cutting down benefits, has been calculatedly responsible—it cannot be innocently done—for driving these people down to a standard of existence which is below what is ordinarily regarded as a minimum.

Mr. Seebohm Rowntree, whose authority will be accepted by all who take notice of investigations into conditions of life and poverty, made, as is well known, an investigation to ascertain what was the lowest standard of subsistence for a man, his wife and three children. He has recently gone into the question again, and has published fresh figures for January of this year, which show that a man, his wife and three children should have at least 31s. 6d. per week in order to maintain themselves in a state of physical efficiency. Our unemployment pay for such a family is 29s. 3d. But, to the figure of 31s. 6d., rent and other expenses have to be added. I suppose that 15s. would not be regarded as an unreasonable rent in London for a man, his wife and three children, or 10s. in the provinces. As compared with these figures, our unemployment benefit in such a case amounts in the aggregate to only 29s. 3d., which has to include the rent, no other provision being made for it. On the other side we see heaped-up wealth that has been produced by our own people. There is no magic way of producing wealth; it is only by the application of labour power to nature-given material that wealth is produced. We see piled-up wealth on the one side, and, on the other, these millions of people subjected to a poverty-line lower than that which is regarded by the experts as a minimum. How can we expect them to escape the ravages of disease and illness?

It is impossible for us to look at the question from any other angle than that the distribution of wealth is totally wrong. There is heaped-up wealth which these people have laboriously produced, and yet they are prevented from touching it. We speak sometimes of the gold reserves in our banks, and of the idle money in the banks. While you have the gold in the banks, you have these little jewels of humanity, boys and girls of a great Imperial race, being destroyed in the foul, disease-ridden slums in which so many of our people are compelled to live. The more the workers produce, the less there is available for them. The harder they work, the quicker they become unemployed. The more work that is done, the lower the standard of life of the workers.

The capitalist system is defended to such an extent that one would think it was a divinely inspired system. The defenders of the capitalist system in this and other parts of the world, where there are mountains of wealth and an abundance of agencies to supply their own brothers and sisters, their own flesh and blood, with all the things that are necessary for their livelihood, say that it is

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wrong for them to have that wealth. If they are asked why this problem should not be solved, why the people should not have more food, the answer of capitalism is: Destroy the food; burn the coffee; make briquettes of the wheat; fire the boilers with wheat that could be used for human consumption. The fish that has been caught in the sea, instead of being distributed, is put back into the sea or used for manure. If they are asked why it is that people do not have better clothes, the answer is: We will burn the cotton, or dig it into the soil; we have too much wool, and too many textile operatives and tailors. That is why our people are shabbily dressed. Let hon. Members go into their own constituencies and see whether the people are properly dressed and shod. It is not because we have not the means. Why are the people not properly housed, when we have so much land, when we have so much building experience, when we have 20,000 architects unemployed to-day, when we have 400,000 building trade workers unemployed, when we have large quantities of idle plant and machinery? What a ridiculous and amazing contradiction and confusion the whole thing is.

The Motion speaks about widespread poverty and the methods employed to tackle it, but anyone who examines the system will wonder what steps the Government or their representatives are prepared to take to tackle this problem in anything like a practical way. The whole thing appears to us to be beyond common understanding. The system which the Government represents is failing more and more, and it is bound to fail. Its representatives are fighting all the time for markets that are not there. They are fighting with the people of other big countries for markets in the same areas. This is sowing the seeds of international commercial rivalry and international war. War is not caused by the perverseness of character of individuals, or because some representative of a State may say things that are irregular. Wars are much deeper-seated than that. The reasons for them are generally commercial rivalries. I should like to read a short quotation from the late President Wilson, speaking at St. Louis in September, 1919, after the last War. He said:

> "Peace! Why, my fellow-citizens, is there any man here, or any woman, let me say is there any child, who does not know that the seed of war in the modern world is industrial and commercial rivalry? The War was a commercial and industrial war; it was not a political war. The reason that the War we have just finished took place was that Germany was afraid her commercial rivals were going to get the better of her, and the reason why some nations went into the War against Germany was that they thought that Germany would get the commercial advantage of them. The seed of the jealousies, the seed of the deep-rooted hatred, was hot commercial and industrial rivalry."

What is the position to-day? Our country, and all capitalist countries, have produced more goods than there is an effective demand for in the home market, and they are all pushing for markets in other parts of the world, attempting to drive out competitors — Americans, Germans, French, Belgians, Scandinavians, Czechoslovakians, or whoever they may be. Each is trying to outbid the other. The evidence of that is the 30,000,000 or 40,000,000 of unemployed people that there are in the world to-day. They cannot be employed in industry again under capitalism until it is possible to expand markets and get additional buyers for the commodities that are produced. Where are the markets? They are already covered by the effective industrial countries that I have mentioned, and there are others; and, side by side with all this, we have an ever-growing development of capacity to produce more commodities than we are producing to-day. Since we are able to produce more commodities than ever before, one would say, in the ordinary scheme of things, that the home and family ought to be richer by that greater capacity; but, instead of going on looking upwards, we go backwards and downwards. We see more produced and less consumed; we see faster work and quicker unemployment; we see rationalisation, machinery, and so on, bringing the total of our unemployed up to the many millions at which it stands at present. And they are the people who have produced the goods.

Those who represent this present order have to ask themselves whether the problems which the present order throws up are not being created much faster than any action which they are able to adopt to overtake them. Every day and every week you find yourself further behind. You think you are able to get cheap money here and then you find that another country goes off the Gold Standard. If you think you have a market because you have gone off gold, another country goes off and the competition goes on again. I have never spoken of any capitalist as being an individual who is full of brutality It is not the man but the system with which he is associated. Since you have been in power in wage cutting you have led employers. We are £10,000,000 worse off since you have been in office than we were before. You have reduced unemployment benefit; you have imposed a means test which is lower than the amount of unemployment benefit. The hon. Member for Central Nottingham spoke in regard to the savings of the people. The Government have looked after the savings of the poor people when they became unemployed. If they have two or three shillings in the bank they must take them out before they get any relief under the means test. The Government have looked after their savings in a very effective way. You have reduced the wages of the workers in public employment.

Mr. LOVAT-FRASER: Does the hon. Member remember that it was his party that introduced the means test?

Mr. HICKS: I am stating a few things that you have done which have contributed towards unemployment. Not only have you led the employers in wage cutting, cut down the miserable benefit of the unemployed, and imposed the means test, but you have curtailed industry, aggravated unemployment, closed down housing schemes and public works——

Mr. DEPUTY-SPEAKER (Sir DENNIS Herbert): If the hon. Member will be good enough to address the Chair, we may know better whom he means by "you."

Mr. HICKS: They have crippled the social services and made cuts in public education. When you come to examine the work that the Government have done, the Motion is justified in every possible respect. We cannot accept the position as it is. We cannot accept the fact, when we have the capacity to bring better and brighter lives to our people, that we are going further and further down in the social scale. To remain quiescent in such circumstances is wrong. There can be no moral justification for it. No Government, however powerful it may be in intellect or numbers, has the right to stand between people and the means of satisfying them. This restriction that is being imposed upon people is criminally monstrous—the wilful destruction of foodstuffs while people go hungry, wilfully putting people out of employment when they should have the opportunity of using their skill and capacity to feed, clothe or house the people.

There is, in the opinion of the Labour party, only one way. However long the capitalist system goes on, the contradictions that it will throw up will be greater and greater. The central Government will be called upon more frequently than ever to tackle these problems. It will not solve them. Industry organised for individual welfare instead of the social welfare is bound to bring in its train the contradictions that I have mentioned. Until the country agrees to change the basis of production from private to public enterprise, until the main industries are taken over by the people for the people, until they are properly and effectively planned, until Great Britain is regarded as a unit, perhaps a unit inside the bigger unit of the British Empire, and the material resources of the world are used for the purpose of providing greater happiness and comfort, contradictions such as we have today will be intensified and will show themselves more glaringly, and international wars brought about as the consequence of economic rivalry will be re-instituted. All the countries in the world are better equipped in man power, machines, aeroplanes and death destroying agencies than ever they were before. However useful this system has been in the past, it has reached its limit of usefulness to-day in the direction of guaranteeing millions of men and women a better life. Let us take a fresh point of view upon it. Do not be afraid of fresh ideas and of examining something different from what our forefathers had. I believe that, by these agencies and the establishment of the system of Socialism nationally and internationally, the problem of poverty will disappear and human happiness will be alleviated.

5.37 p.m.

Mr. HOPKINSON: It is customary, if any Member makes a special effort in the way of a speech, to compliment him on it; and it often happens that those compliments are not altogether sincere. But everyone who listened to the speech that initiated the Debate will agree with me that it was from every point of view such a speech as added to the reputation of the speaker. I could not help thinking as I listened to the hon. Member that if only I could speak like that, I could cause a revolution, though one of a very different kind from that which he contemplates. I propose to give some hints as to the nature of what I think is going to be the real revolution that is coming, for I would remind the House that the hon. Member threw down a challenge towards the end of his speech. He said, "Turn away from the past and look to the future if you dare face the future," or words to that effect. He knows very well that I recognise that he, in his way, has been preparing for a certain future. He knows that in my very humble way I also have been preparing for a future, and I hope he will agree when I say that I fully recognise that his whole life and his whole actions have been guided by a really profound love for the people of the country. As I recognise that, and as he knows that I recognise it, perhaps he will give a little recognition towards a similar spirit in what I have been doing, although in every single point of policy I am diametrically opposed to him.

I well remember the days when I worked as an apprentice and the days after that when I had to do a great deal of work at the coal face in the pit. In those days there were old men working with me to whom Socialism all their lives had been in the nature of a religion. Generally speaking, they were men who had absorbed the ideas of William Morris, those somewhat vague but extraordinarily beautiful ideas of a co-operative commonwealth for this country and ultimately for the world. It is one of the saddest things one can observe to see how that faith has been destroyed and that magnificent vision of a great and happy future for mankind has been taken away and has left nothing whatever in its place.

The House will perhaps pardon me if I trace as far as I can the experience of the world in Socialism and subsequently the experience of the great world protest of what is called "Individualism." The hon. Member for Bridgeton being a Scotsman possibly like myself, occasionally dips into a book called the Bible. Being a Scotsman no doubt he dips into it with a view to finding suitable terms of invective with which to overwhelm the capitalist class. But I need hardly remind him that the experiment of a co-operative commonwealth was tried some 2,000 years ago in a city called Jerusalem. There was then a body of men who held all their goods in common and no man deemed his wealth his own. As far as we are able to ascertain, from the somewhat scanty information vouchsafed to us, that society worked admirably for a time; until at length it attracted to its circle a gentleman and his wife of the name of Ananias and Sapphira and it broke down most lamentably, because they kept back part of the price.

Surely, that is the history of socialistic and communistic communities all through the ages. As long as there was a great ideal as the motive for their action they succeeded, but sooner or later to every one of those communities there came an Ananias and a Sapphira who kept back part of the price. If we take the latest and greatest of all these experiments, we find that what happened was adumbrated on a small scale in the story to which I have referred. It will be remembered that when the man and his wife kept back part of the price, Peter rose up and put them to death for their sins. So too Lenin discovered there was only one way of dealing with those who interfered with the running of a communistic organisation, and that was to get rid of them by death at the earliest possible moment. Having adopted that method, he was able to attain to a large degree of success, and it is quite possible that in Russia within the next two or three years there may be a complete guarantee of material existence—food, clothing and lodging—to every citizen, but at what an expense. At the expense of everything that separates men from the beasts.

As I say, the hon. Member and I have in our differing ways devoted ourselves to solving problems—to solving perhaps the greatest problem of the age, which is not a material but a moral one, the problem of giving a new hope to the millions who are at present hopeless and see no future, of giving them once more a bright and happy future to look forward to and something to work for, even if they cannot expect to get it within this generation or the next few generations to come. What the hon. Member works for is the changing of institutions. What I work for is the changing of individuals. And I shall win, as the whole history of mankind has shown up to the present. Always has the selfishness of men and women wrecked every experiment towards the co-operative commonwealth of his ideals. But I, who have been convinced for many years that it is utterly useless to attempt to get progress by changing institutions, maintain that the whole history of mankind shows most conclusively and manifestly that progress is only to be obtained by changing individual men and women.

Let us apply that to the immediate question under debate. In order that the hon. Member's Utopia may materialise, in order that his co-operative commonwealth may flourish, it is essential that there should be at any rate a majority of the people of the community in question who are willing to work and to give their service and their lives, not for their own advantage, but for the advantage of their fellow-men. One thing we know, unhappily, too well, is that there is not in this country or in the world to-day anything approaching to a majority of men and women willing to undertake those obligations to give their best work and best thought without regard to personal reward, or to their families. Therefore, what we call the capitalist system exists. It was not a system which anybody designed or set up. It is simply the state of affairs which must exist in any community where the majority of men and women are selfish rather than unselfish. I say that for the present, at all events, it is utterly foolish and wrong to suggest to those unhappy people to whom I have referred, to those unhappy people who have lost that great ideal of Socialism which sustained them in hope so long, that there is any possibility of a realisation of their dreams until they themselves are manifestly and distinctly changed from what they are at the present time. That there is the possibility of a change we all know.

During the War we were entirely under a system of State Socialism, and it worked, and we are paying for it now through the nose. But the fact remains that millions and millions of men and women in this country were willing to work, to fight, and to suffer everything that men and women can suffer, and not to ask any reward whatever from the State which was employing them. Those who are everlastingly, like the hon. Member for Bridgeton and his friends, demanding the abolition of war should at least recognise that the only possibility in these days of any realisation of their Socialistic dreams is when the nation is engaged in a war for its very existence and we live as a Socialist commonwealth.

Let us turn to the other side of the matter. I have suggested that it is useless to change the organisation of society; useless because that organisation will change itself when men and women have changed themselves, and fitted themselves for some other form of organisation in industry and in society. Just as I have said that capitalism is merely the state of affairs which exists among selfish men and women, and cannot be altered without the complete wrecking of their prosperity and depriving them of their livelihood, so this dream of a social commonwealth, such as the dream of William Morris and his friends, is only realisable, and is inevitably to be realised, if once that condition exists that men and women think more of their neighbours than of themselves. Therefore, I maintain that this much maligned capitalist system under which we live at present must still continue in some form—and here I make my challenge to the hon. Member for Bridgeton. While he devotes himself and his great powers of oratory to endeavouring to alter a system which cannot be altered until men and women are altered, I, in my humble way, have spent my life in preparing for that alteration in the outlook of men and women which alone can bring about in the future the co-operative commonwealth of his dreams.

The way I have gone about it is this: I came to the conclusion many years ago in my industrial life that it was useless to attempt to convert the whole bulk of the men and women of the country, but that it was possible to make an enormous advance if one could convert even a few and if those few were in a position of responsibility, and thus to initiate this

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new era for which we both long and which is the ideal of us both. In other words, I reached the conclusion that it was within the bounds of possibility so to alter the outlook of those who control the industries of our country under this capitalist system of ours that they could take the first stages towards the ideal of our dreams. So important do I deem these matters that I have never for one moment hesitated in my own conduct of affairs to feel my way step by step towards that better and happier time for the workers which he and I have devoted our lives to bring about, and by experiments in industry to see what happened when you adopted new methods of remuneration and of dealing with work and for getting continuity of labour even in these depressed times. The results of what I have done amount largely to this: that to remove that poverty which we all deprecate so much there is at the present time but one practical thing we can do. What is wanted is that, when the weekly pay day of the country comes round, instead of the paltry millions which are paid out in the pay-bags at the present time, the aggregate amount must be vastly increased. In other words, we must initiate a campaign for more wages.

But before hon. Members above the Gangway and the hon. Member for Bridgeton agree too closely with me upon this point, I would say to them that more wages at the present time in many cases mean lower rates of wages than what are being paid to our people in many of our industries. That is what I meant in the Amendment which I put upon the Order Paper, but which I do not propose to move as the Debate will follow a more useful course if Amendments are not brought in at the present stage. What I meant was that the actions of successive Governments—for no party in the State is guiltless in this matter—have all been devoted, like the actions of the trade unions, to raising the rate of wages without any regard whatever to the aggregate of wages paid throughout the country in each week.

It is useless to have a few fortunate railwaymen, for example, employed at a high rate of wages when there are scores of thousands of railwaymen already thrown out of employment and others who are being thrown out. What is the reason? In the case of the railwaymen it should be obvious to everyone. It is not the directors and managers who decide what the rate of wages for railwaymen is to be. They cannot decide. It is those who use the railways who decide every time what the wages of the railwaymen shall be. When wages boards or Governments go about the matter in the way in which it has been gone about up to the present and say, "this railwayman ought to have such and such a rate of wages," unless they have consulted the users of the railways first, they condemn that railwayman to perpetual unemployment, as has been the case in thousands and thousands of instances during the last few years. But if the public were allowed, as formerly they were allowed, to say what the wage rate of the railwayman should be, then the railwayman would get the wage instead of having to go upon the dole as he does at present. I pray hon. Members above the Gangway to think over this matter before I pass from it, and to think it over most carefully, whether what we want is not more wages in the aggregate rather than high wages for a few lucky individuals and the rest of our unfortunate people living on the dole.

The House will pardon me for making my speech a good deal longer than is my custom, but the tone of the speech of the hon. Member for Bridgeton was so elevating and so lofty that I am tempted to do my little best to rise even though it be to a short distance, up to those heights to which he has risen. I have said that, so far as I can see, there is no hope for mankind and no hope for industrial mankind unless there is an immense change in the outlook of men and women, and I have also stated that it is very much easier to change the outlook of a few capitalist employers of labour than to change the outlook of the whole bulk of the workers.

Therefore, I think it is right that I should endeavour to link up those arguments, and, as far as I can, show what I contemplate will be the development of industry during the next two or three generations in this country. The times have changed very much. There was a time when, generally speaking, the great fortunes of the country were in the hands of those men and those families whom the whole of the people of this country were inclined to regard as the best of our citizens. That time has gone. The right hon. Gentleman the Member for Carnarvon Boroughs (Mr. Lloyd George) has seen to that. He destroyed those people. He destroyed them utterly, and we have been suffering from the loss of them for many years since.

Now, in the course of the War and subsequently, we found the general tendency was for the great accumulations of money in this country to be in the hands of people to whom I do not wish to be unkind, but whom I think I might rightly describe as the sort of people that no decent young man would ever like to be like. In the days when I was a youngster, there was something rather creditable in a lad going into industry and making a great fortune. It raised him in a certain degree to something like the same social status as those old great landowning families of the country who had hitherto represented our rich. But since the War and since the era of the right hon. Gentleman the Member for Carnarvon Boroughs, I venture to say that any young men going into industry might well question their seniors and say, "If I work here in industry and devote all my talents to making this business a great and a prosperous one, is it not just possible that at the end of it I may find that all my efforts have simply resulted in making me like Mr. So-and-So or Lord So-and-So? If that is the case, then success in industry is not for me."

I have spoken partly in jest over these matters, but the fact remains that among the young people of to-day going into industry with the prospect of taking up responsible positions, the money motive is not nearly as powerful as it used to be even in my recollection. I think that the time is rapidly coming—in fact, I think that it is almost on our doorstep—when we shall find young people coming into industry without worrying too much as to whether they will make great fortunes, but coming into it for the reason that I am running my industry now—I am getting nothing out of it—namely, for the sake of doing a thing as well as one possibly can and showing that one can do it better than the other fellow. In other words, the sporting instinct which has distinguished all classes of our country for so many generations may, I think, become the mainspring of energy and enterprise in industry, instead of that broken mainspring, the desire for great possessions. I find in going about the country among people of all classes and in talking to young people whether in the coal-pit or the board room, there is a possibility that this is not wild idealism on my part. This at least I know—that the experiment I have made of regarding an industrial concern merely as a means of sport and not as a means of gain, is a successful one, inasmuch as I proved by six years' experience that industry is a game which is worth the playing for the sake of the game, even when someone else gets the silver-plated toast rack and you get nothing.

In his unregenerate days, when he was not afraid of trite catchwords, the hon. Member for Bridgeton would say: "Let us have democratic control and ownership of capital." I am going to make him a present of part of his demand. I have tried for some time now the experiment of democratic ownership of the capital of my own concern, and so far as my experiment has gone I have proved that there is no harm whatsoever in democratic ownership of capital—provided there is not democratic control. For some years now I have not owned the capital which formerly belonged to me. The whole of the capital in my business belongs to my employés—but the degree of autocracy with which that little concern is conducted is unequalled in any industrial concern in the country. In support of my view that we can run industries successfully with democratic ownership of capital, provided that we maintain autocratic control, I am going to bring against the hon. Member the evidence of the poor, downtrodden wage-slaves with whom I have worked and whom I have consulted from time to time in the course of the experiment.

I said to them, at the very beginning of the experiment: "I do not see in the very least why you should not own the capital of this concern of ours, rather than that I should call it mine, because so long as it is capital neither you nor I can 'blue' it. Therefore, it does not make any difference whether I transfer it to you or keep it in my own name." They understood that. I then said: "What about democratic control? This involves you once a year in elect-

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ing from among your number representatives who are to decide"—this is the decision which has to be made by all capitalists—"how much of the product of the industry is to be paid out in wages, and how much should go to capital." That is the crucial question which the capitalist employer has to decide year by year. After some conversation, they agreed that what would happen would be this: in the first year they would think who among their number were the best people to control the matter and to decide the very difficult question already mentioned. They would say: "We will choose those who have been successful in their own private affairs, those who have accumulated a little capital of their own and are preparing to retire at a comparatively early age, so that they will be wage slaves no more. We will elect them because they have been rather good in managing their own affairs."

I then said: "Suppose we run into a rather bad time. Suppose the Government pass another Coal Mines Act"—which would inevitably mean hard times for us, because our customers are the collieries. "When there was no bonus to be added to the weekly wage and when the demand was made by your committee for a reduction in wage rates because they could not afford to pay what was required, what would happen?" We know that, like the hon. Member for Bridgeton, they would go to the local equivalent of Glasgow Green and say: "Here is a committee of brutal capitalists making capital the first charge on industry, instead of making the wages of the workers the first charge. Perish the thought!" And inevitably at the next election those would be elected who would be pledged to give the whole of the product of the industry in wages and to keep nothing whatsoever for capital. So that, in three years, in the case of my own concern, the show would be in bankruptcy.

By all means let us have democratic ownership of capital if it pleases anybody, because it makes no difference so long as it is kept as capital; but for heaven's sake allow those who are capable of running the show successfully to keep control of what is the very lifeblood of the nation and the workers.

The whole of my life I have been sitting on brass tacks, and it is very difficult for me to get into the rarified atmosphere in which the hon. Member for Bridgeton moves. But I think I have justified the opinion that occasionally even a practical shopkeeper like myself can show some signs of imagination, some sign of looking forward to a better and a happier future for the workers of this country and the workers of the world. Socialism, so far as the intelligent workers of this country are concerned, is as dead as a door nail, and the hon. Member knows it. I look at the party opposite, the Socialist party, and what arises again and again to my mind in regard to the creed which they find it so profitable to support is summed up in the words of a poet who was quoted the other day in this House for the first time for some years:

> "Its frame still stands without a breach,
> Though blood and warmth are fled;
> And still it speaks its wonted speech
> But every word is dead."

6.7 p.m.

Mr. McGOVERN: I am sure that every Member of the House has enjoyed the speech of the hon. Member for Mossley (Mr. Hopkinson). I was deeply interested in it, because I believe him to be very sincere in the belief that he holds, but I am bound to draw the attention of the House to the fact that we are not discussing whether there are good employers and bad employers in the capitalist system of society, but whether the system of capitalism is able to bring itself back into a state of prosperity and abolish the widespread poverty of the working-classes. The hon. Member made one or two statements which I should like to analyse. He said that before we can have any state of society such as that outlined by the hon. Member for Bridgeton (Mr. Maxton) we must have a complete change in the attitude of individuals. We must have, in the words of the Leader of the Opposition, which I heard nearly 20 years ago, "a complete change of heart." Speaking as a Socialist, it is not only essential that we should believe in a new gospel but that besides being a Socialist one must have the spirit of Socialism and be able to enunciate it, not as a professional politician or advocate, but as something for which one is prepared, if necessary, to make sacrifices to bring about the realisation of one's aims and ambitions.

When the hon. Member said that before we can have any change we must have a complete change of heart in every individual, I must cross swords with him. He seems to assume that human nature is absolutely selfish in its entirety. I disagree. I say that conditions and environment create selfishness within human beings, but that mankind is not selfish at the very bottom. Where would you get a more complete demonstration of the lack of selfishness in the working class than the fact that they go into industry, that they go into the bowels of the earth, that they produce the coal that is required for the well-being of every human being in the nation, that they produce the wealth and, having produced the wealth, they place it into the hands of the class that has never done anything in the production of it. Is that a selfish act on the part of human beings, who are prepared to allow themselves and their families to endure the greatest privations of poverty and distress, while they give to the class who have done nothing to produce the wealth extremely pleasant surroundings and good conditions? Surely that is a demonstration of the lack of selfishness on the part of the working classes. While I believe that a change of heart may be desirable in a large section of people and that we have a task in bringing about the atmosphere for a Socialist state of society, the hon. Member has a greater problem before him in attempting to convert the large employers of labour and the landowners to his point of view about benevolence in industry under a capitalist administration.

Selfishness may be a part of the make-up of individuals, but suppose the hon. Member and I sat at a table under present conditions, and he enjoyed a splendid course dinner. After the dinner he goes to a comfortable home, buys good clothes, and has a chance for recreation, education and all the finer things in society. On the other hand, I, an unemployed man, am compelled to sit at the table and to hear him order anything that he desires. I am compelled to have bread and margarine and a bowl of tea, which does not satisfy my wants, but the money in my pocket dictates that which I am to eat and drink. Then I go home to a slum where the gas has been cut off, through inability to pay. I go to a bed that has no blankets, because of inability to provide them. Does he say that, if I am a reasonably-minded man, with the blood of an ordinary human being, I am not to develop in my mind and heart a desire for a complete change? If that is selfishness, then I agree with the hon. Member. It is simply the desire to have that which nature intended every human being to have, and the capitalist system of society cannot provide that in any shape or form for the great mass of human beings. The hon. Member for Mossley gave us a disquisition, in an egotistical fashion, of what he has done in industry. I saw a great amount of egotism in his statement.

Mr. HOPKINSON: I am very sorry if I appeared to be egotistical, and I apologise to the House. I thought that it was necessary for my argument to mention one or two personal matters. I apologise sincerely.

Mr. McGOVERN: Despite all the poverty that has arisen in this country, there has been no effort made by any Government to deal with the situation. They remind me of a man who, in jumping off an omnibus, which unfortunately has suddenly moved forward, clutches the rails and is suspended in mid-air. If he had jumped off at the proper time he would have met with no injury at all. That is true of the capitalist class of this country, and of the Governments of this country. Because there is a certain amount of inconvenience to be met with in arranging a new social order, they are not prepared to face this inconvenience, and they hold on and on to a system which is collapsing, which is gradually becoming bankrupt not only in this country but in every part of the world. They will hold on to the ownership of the means of life until eventually great disaster will overtake them. Every person can see to-day a desire on the part of men and women for a change. There is a growing belief in force to bring about the desired change from capitalism to some better ordered state of society. There has been a gradual evolution of thought in the minds of men and women and they are now prepared to back every form of force to effect that change.

You may deprecate the growth of unconstitutionalism in this country and in the world, but that unconstitutionalism

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has been created by the constitutionists of this country, of this House and of the world. It is not the Communist, or the anarchist, or the hon. Member for Bridgeton, great as I know his powers of oratory are on the platform, who are responsible for that growth; it can be traced to the failure of successive Governments and successive politicians to bring about any effective change in the conditions and lives of the people. I admit that Socialism can make little headway if there is a decent state of society, when men and women can earn decent wages and live in good houses; but when they are unemployed and living under the conditions in which many of them do to-day, they become dissatisfied and ask why they should be living in a state of poverty.

We had a great deal of reform in this country at one time. When the Liberal party were in office and in power they gave us a greater scale of reforms than has any Government since. They were in office during a period when capitalism was in the ascendancy, when it was finding new markets and opening up new routes, when this country was the workshop of the world; and out of the profits which were made by investments in backward countries they were able to give a certain amount of social reform to the common people of this country. But with the gradual evolution and development of that system of society, the Liberal party came to a dead end. The War period practically ended social reform in this country, with one or two small exceptions. Since the end of the War every Government in this country and every statesman have gone into office believing, expecting and hoping that at the end of 12 months or two years there would be a different state of society and of trade. But stagnation and creeping paralysis have overtaken industry, not only in one country but in every country in the world. With a growing productive power on the part of the working classes, individually and collectively, there has been a reduced power of consumption. These are contradictions which no system of society can keep in operation for very long. If you are going towards a glut of things and if, on the other hand, you continue to displace labour, it means that you must give additional powers of consumption to the common people if you are to cope with the situation.

The Liberal party failed. The Tory party failed. The Labour party, in the few months in which they were in office in 1924, failed. A Tory Government came in again, and failed. The Labour party during two years of office completely failed to make any attempt to stop the rot. They did more—they became the fire brigade of capitalism. They attempted to damp the revolutionary aspirations of the working classes of this country and tried to put capitalism on its feet again. They attempted to keep it alive by pumping labour oxygen into its lungs. The Labour party has been used for the same purpose in every part of the world. There is not a Labour party that has not attempted to work the capitalist system and they have been thrown out of office periodically as a complete failure, because they have applied themselves to the problems of the day as Liberals and Tories would have applied themselves, and have attempted to keep at work a system which is unable to work in any shape or form under present conditions.

The working classes at one time believed in Liberalism, and then they had faith in trade union activities. The Labour party in 1929-31 attempted to solve the problems which Capitalism was throwing up until eventually they were overwhelmed by them, and the National Government came in with a flourish of trumpets. Young members of the Tory party came in like high-spirited racehorses, but they are now trotting along like a lot of old cab horses. They see that there is no hope of doing anything at all; they see that the Government cannot deal with the situation. And not because they are not able men. On the Front Bench there have been eminently able men, but they have attempted to deal with a situation which cannot be dealt with within the confines of the capitalist system. The hon. Member for East Woolwich (Mr. Hicks) says that since the Government came in the wages of the working people have been reduced by £10,000,000. Were they not being steadily reduced during the Labour party administration? Were there not protests against the reductions? Did not the Labour party have something to do with the Anomalies Act, by which 241,000 people were put on Poor Law relief? Are they going to take credit that during their period of two years in office things went down and down? No Government can stop that because the Government do not own and control the means of life. It is the private employers in industry who own and control the means of life, and the Government are only the tools of the bankers and the employing class. Those who own the economic means of life control the Government and determine the policy of the Government.

The Labour party failed. They attempted to create the feeling that when they got back into office, not because the people believed that they are better, but because they are driven from one party to another in attempting to solve present day problems, that they were going to reduce unemployment, restore wages, abolish the cuts and the means test, give all widows pensions, and all spinsters pensions as well; raise the old age pension to £1 per week at 60 years of age and raise the school-leaving age. To attempt to make an intelligent section of the community believe that you are going to do that is simply stating what you know to be untrue and impossible; and it makes it all the worse because the Labour party know they cannot do what they have promised the working classes they would do. There can be no change until there is a change of heart. There can be no change in the lives of the common people until there is a change of system, from private ownership to public ownership, the means of life being controlled by the community.

Nature was kind in intention. It gave us land and raw materials, health and ability, energy and creative powers, for every human being. These powers should be utilised but they will never be used within the confines of the capitalist system of society. The Labour party have made promises to the people of this country which they have never attempted to fulfil. They have tried to make them believe that when they come into office again they will deal with all their ills, when they know that they have no power to do so without a change in the present system. They have simply attempted to do the same as Liberals and as Tories—work the present social system. I say quite frankly that, as far as we are concerned, we believe that poverty will never be eliminated except by a change in the present system of society. The Labour party, if it is their intention to defend the interests and profits of the ruling classes, are bound to fail. In this country there is a growing belief in the common people that by their own power and by their own hands they will bring about a social revolution and achieve working class ownership and control.

6.30 p.m.

Commander COCHRANE: I certainly do not propose to follow the hon. Member for Shettleston (Mr. McGovern) into the family squabble which he has attempted to carry on with the party above the Gangway. The hon. Member for Bridgeton (Mr. Maxton) when he began his speech was candid enough to say that he would be destructive, and I certainly think that the hon. Member for Shettleston has added his meed of criticism. I do not propose to follow either of the hon. Members. I prefer to devote myself to considering whether the capitalist system which has been so much abused to-day is really as dead as the hon. Members would wish it to be. As a test I would take a question which is obviously in the minds of all hon. Members who have addressed the House, and that is the question of a glut, of idle money and idle men, or, as I prefer to put it, whether the rapidly increasing productive power of the world is being used in the most effective way to reduce poverty. That is a question which we must consider, and it is one which has undoubtedly given rise to grave doubts in the last few months. My right hon. Friend the Chancellor of the Exchequer, in a speech at Edinburgh a few weeks ago, described it as " one of the gravest problems facing the statesmen of the world." I think that that is a true description. The problem cannot be put better than it has been put in a summary of conclusions in a book published a year or two ago by the International Labour Office, and called " Social Aspects of Rationalisation." It referred to the displacement of labour by machinery and stated:

> " It is possible that this tendency will continue in future and will become more and more general and distinct. The consequent unemployment should then be considered to an increasing extent as a sort of physiological unemployment. By this we mean the sort of unemployment that must

[Commander Cochrane.]

be accepted as normal, since its causes cannot be abolished without injuring general progress."

I invite attention to that last sentence. I think that "progress" is a much-abused word. For my own part, I refuse to accept it in the sense that industrial development which causes increasing unemployment should rightly be described as progress. If the development of machinery and the ever-increasing displacement of labour are to continue, it will make no difference whether they continue under a capitalist or a Socialist system, so far as the lack of employment among the people is concerned. Indeed, I think it must be clar that under Socialism there would be no cure for this distressing state of affairs, because the statement which I have quoted is in accord with the materialist doctrine of all Socialism—the idea that the production of wealth and its distribution were the only problem with which we had to deal. I believe that there is a fundamental mistake there, for I am sure that the people of this country do not wish to be idle and dependent on State charity. That is the meaning of it if an ever-decreasing number of people are to produce the wealth required for the consumption of the remainder. Clearly then the remainder must be recipients of charity from the State, whether it be directly in goods or whether it be paid in money. In other words we are reaching a stage at which we must seriously consider whether the present wage system is a satisfactory medium for distributing the wealth of the country.

The problem is undoubtedly becoming more and more serious. I am certain that the only way in which we can reach a solution of the difficulty is to make people more self-supporting. There is a direct issue between us on this matter—either State Socialism, with its system of doles or charity, or the development of a capitalist system which, as my hon. and learned Friend the Member for Central Nottingham (Mr. O'Connor) said, would lead to a property-owning democracy. I would carry it a stage further and say that, while I value a property-owning democracy, I value still more a property-owning and producing democracy. That, I believe, is the ideal which we all wish for, and I think no one more than the hon. Member for Bridgeton and his friends. I cannot help thinking that they have a good deal of the individualist in them. Otherwise why do they often sit in crowded discomfort on the bench they occupy instead of enjoying the more spacious ease of the benches behind the Labour party?

We must recognise that in everyone there is a desire not only for political liberty but, what is more important, economic liberty and security. I regard security as of great importance. I do not think that any advocate of the Socialist system would care to say that if the whole power of the country were handed over to him he could provide not only the material things, but also the life of activity as well, which is what the people really want. That can only be done by retaining for them a measure of freedom and liberty to work out their own salvation and to provide for themselves. It so happens that as this problem has become more and more insistent, the possibility of dealing with it also exists for the first time for many years. For the first time since the industrial revolution we have a Government armed with the necessary authority and power of legislation to put into effect whatever design they wish for the industrial structure of the country. Whatever we may think of tariffs, we have at any rate an opportunity of devising and carrying out a policy which will enable industry in this country to be carried on to the benefit of the greatest number of people in this country, and I believe that it is on those lines that we must develop. That clearly means that we are to try, in the words of an Amendment on the Paper, "to spread productive capital more widely amongst the people of the country." If we are to do that we must also spread industry more widely, for the two things go together.

Not only is it loss of employment which we are suffering from this so-called rationalisation of industry, but over-centralisation is adding much to the misery of the people throughout the country. I invite any hon. Member to go to-day to those places where there is least poverty. Where are they? They are those districts where there are numbers of industries, and where the whole community are not dependent on one single industry which may fail them at any time. That, I believe, is an object lesson which we should expand. I do not wish to attempt to go any further into the matter to-day.

I would rather leave it as a suggested idea, not as a mere aspiration, but as something which can be put into effect and which I trust will be put into effect, for I believe it would go a considerable way in finding a solution for the poverty which we all so much deplore.

6.40 p.m.

Mr. PICKERING: I would like to pay my tribute to the remarkably fine speech of the hon. Member for Bridgeton (Mr. Maxton). As we listened to him we all felt certainly that he had a very great heart, great eloquence and great imagination. I speak because the hon. Member made reference to an Amendment which is on the Paper and to which my name is attached, and he pooh-poohed the idea of the need for an inquiry. I quarrel with the hon. Member's Motion from the beginning, for it is absolutely misleading. It refers to "widespread poverty." I would not for one moment try to minimise the seriousness of the situation to-day. I think that the position is deplorable and a desperate challenge to our statesmanship, but I do not see it expressed in those words of the Motion. It was suggested by the hon. Member that there was no need to ask what poverty is. From the way he speaks of it there is very serious need to ask what is meant by poverty. Poverty is not the trouble to-day. If we go back 30 or 40 years we find that there was poverty of a very different kind from anything that exists to-day. People could starve in those days, and they do not starve now. There were slums existing by the thousand then where they do not exist in tens now. That cannot be denied.

Poverty has been diminished during the last 30 years. Compared with 30 or 40 or 50 years ago there is really no poverty to-day. And that poverty existed under capitalism. The hon. Member wants us to overthrow the present system, which he calls capitalism. Yet we are told by hon. Members opposite that the present state of things is no longer capitalism; we are told that now we are in a state very little distinguishable from Socialism. I dare say that if a captain of industry of 50 years ago were to return and find what our methods of organisation were to-day, he would say, "This is nothing but Socialism." The fact is that we do not get any further by bandying about these words "capitalism" and "Socialism." As my name is attached to the Amendment which I have mentioned I feel that I must in the short time at my disposal say something of the reasons why we ask for an inquiry. The terms of the Amendment are:

> "That with a view to assessing the extent of existent poverty, an inquiry should be instituted, with the assistance of the appropriate local authorities, to determine what, in each locality, is the cost of maintaining a reasonable level of subsistence and how many persons are in receipt of wages below the ascertained level of subsistence."

Poverty is at the present time prevalent. I know of many families with £4 or £5 a week who are poverty-stricken, and I know of other families with the same number of persons and only half that amount of weekly income, and they are healthy, strong and happy. Poverty depends very much on the individual, but there ought to be a certain level below which it could be said that poverty existed. It would clarify the situation if there were in each locality a subsistence level below which no wages should fall. That would not touch the higher paid industries. It would affect only unorganised and lower classes of labour. There should be such a level and if it were found that wages below that level were being paid, special inquiry ought to be made and reasons demanded for the payment of such wages.

If wages were forced up to a subsistence level it would mean a certain amount of spending and the gradual return to employment of many who are now unemployed. We ought to know exactly what we are talking about when we talk of poverty. It might do good to some people who are always pulling long faces to learn, as the result of inquiry, that they were by no means as poverty-stricken as they imagined. From a varied experience among the poorest classes I could tell stories of how some people refuse to be in a state of poverty, even though they have practically nothing on which to live, because ther spirit triumps over poverty. Our people ought to be encouraged to make the best they can of what they have got. That is not to say that I do not wish to give them much more. It is no consolation to me to know that anyone is worse off than I am. I am sorry for that; I wish that all our people could be much better off than they are, but we must not sap their moral, and there are some people who are

[Mr. Pickering.]

poverty-stricken no matter how much they have.

The real disease of to-day is not poverty but idleness—enforced idleness. At one time our Socialist friends used to declaim against a certain class whom they called the idle rich. Unfortunately, for one reason or another, there has been growing up a large class who can only be called the idle poor, people who have to be maintained in idleness. It is this disease of idleness which is responsible to a great extent for the mental state that prevails in the world at present. It is demoralising for a man to be kept idle. A man needs work to be a man in the proper sense. I have no love for shibboleths and I care not whether you call a system "capitalism" or "Socialism," but we must take every step possible to do away with this disease of idleness and this new class of the idle poor. I hope that the National Government, which was given a doctor's mandate, will realise that if it endeavours seriously to grapple with the problem of curing this great disease of idleness the people will rejoice. They will stand anything from this Government as long as the Government show a determination to do away with the great disease of to-day which, I repeat, is not poverty but idleness.

6.50 p.m.

Mr. GORDON MACDONALD: I desire to join in the chorus of congratulations to my hon. Friend the Member for Bridgeton (Mr. Maxton) on having brought this Motion before the House, and on having proposed it in one of the most brilliant speeches to which it has been my pleasure to listen in this House. It gives me great pleasure to support very warmly on behalf of the Labour party every contention contained in the Motion. I was at a loss to understand why the hon. Member for Shettleston (Mr. McGovern) thought it advisable on this occasion to criticise the Labour Government for not having introduced more Socialist measures during their term of office. During that term of office the hon. Member for Bridgeton and I disagreed on many occasions and we had occasion on one Friday to express our views as to whether it was reasonable or not for the Labour Government to introduce purely Socialist measures. I then contended, as I contend now, that this House during the Labour Government's term of office, was not a House elected to introduce Socialist measures. It was an anti-Socialist House by a very large majority. I agree that it might have been debatable, whether the Labour party ought to have taken office or not, but I do not think that now is the time to discuss that question, and certainly this Motion is not the occasion for the hon. Member for Shettleston to deliver his usual speech of vituperation against the Labour party. His speeches seem to consist of that and nothing else and I do not think the House desires to hear, time after time, the hon. Member for Shettleston using opportunities like this in order to criticise the Labour party instead of devoting a little more of his time to representing Shettleston and showing——

Mr. McGOVERN: I am representing it better than you are representing your constituency.

Mr. BUCHANAN: The Labour party attacked the hon. Member for Shettleston (Mr. McGovern) first. They tried to keep him from representing Shettleston and they lost their deposit.

Mr. G. MACDONALD: All I have to say is that I do not like to see the hon. Member for Shettleston using opportunities like this to criticise the Labour party on the ground of something which they have not done. As regards the Liberal party I am surprised to find that they are the only section of this House who do not agree with the first contention of the Motion, namely, that the House recognises the existence of widespread poverty. Every other Amendment accepts that part of the Motion. No Members have ventured to put down an Amendment to that contention except Members of the Liberal party.

Mr. PICKERING: The point underlying our contention is, not that there is no poverty, but that the phrase "widespread poverty" scarcely describes it.

Mr. MACDONALD: I am not at all surprised at the Liberal party asking for an inquiry. That is nothing new. They have become almost as expert as the Prime Minister in instituting inquiries. But I object to the Liberal party trying to impress upon us that there is no widespread poverty. I agree with the Mover of the Motion that there is no need to produce statistics to prove it. Any Member of this House who knows his own division will admit at once that there is widespread poverty. As regards the second contention, that poverty cannot be removed within the framework of capitalism, I can understand that it is not accepted by the majority of the House. I do not think that the hon. Member for Bridgeton expected a majority of Members to accept that contention. But if he made a verbal alteration in it and made it read to the effect that poverty had not been cured within the framework of capitalism I think that contention also would have been accepted by all with the possible exception of the Liberal party.

Beyond doubt capitalism has failed to remove poverty. I am prepared to give capitalism credit for its achievements. It has done many good things for this and other countries. In my opinion it has been the means of solving the problem of production. We in the Labour party as Socialists grant at once that capitalism has solved the problem of production and poverty is not due to that problem not having been solved. What capitalism has failed to accomplish is the distribution of the goods produced in such a way as to prevent poverty. Surely every party in this House has for its sole purpose the elimination of poverty. I can understand that there are differences of opinion. There are those like the hon. and learned Member for Central Nottingham (Mr. O'Connor) who believe that poverty will be removed more quickly and effectively within the present capitalist order than under a Socialist order. I was not surprised when the hon. and learned Member said that in Russia, a Socialist State, widespread poverty existed. I admit that 15 years of Socialism in Russia, after more than a century of capitalism, has not been long enough to remove poverty, but I ask others to admit—however prejudiced they are against Russia—that 15 years of Socialism in that country has improved the status and life of the vast mass of the Russian people.

The hon. and learned Member for Central Nottingham, however, used a sentence which we on this side felt inclined to cheer. He said that the only indication of progress is the provision of enjoyable and beneficial leisure for all the people. We accept that statement. He told us in another sentence that he supported capitalism because it was the method which gave the highest incentive possible to do good for the race. That is the fundamental question. To us, capitalism is a social order under which the only effective incentive to industrial, commercial and economic activity is private financial gain. We question whether private financial gain, though an effective incentive to individual effort, is the best incentive to social life. Our contention, and our only reason for supporting the Motion, is that any social order which has as its motive personal and private financial gain, must fail to provide for all the people the type of life which they are entitled to enjoy.

The third contention of the Motion is that the capitalist order of society is not progressing towards prosperity, but heading for collapse. I need not adduce any argument on behalf of that. Throughout the capitalist world, and in every country where capitalism is firmly established, we have that position. The hon. Member for Bridgeton pointed out that they are doing everything they can to prevent the collapse of this system, which would be to the disadvantage of many of the upper classes. I agree that Socialism presupposes a very high standard of morals and life. I would have those who support capitalism to remember that it is a weak argument to support capitalism because it does not call for as high moral character as Socialism does.

If we are to get Socialism working effectively in the world in the interest of all, we want a much higher type of character. That may mean hard work for a long time until the welfare of the human race is the only motive. Until that becomes the greatest possible desire of the greatest possible number, we shall fail to solve this problem of poverty. I agree that capitalism does not mean widespread poverty in the House of Commons. I agree that capitalism is not a very bad system for us in this House; that, I feel, is our greatest danger. Capitalism has brought to us, as Members of this House, a decent standard of life. The danger is that we shall not be able, therefore, to change that system. I remember in my mining days, when I was confronted with my

[Mr. Macdonald.]

individual economic problem, I had a burning desire to help in the solution of the general economic problem. I confess, as every honest man in this House must do, that, as our individual economic problems show signs of being solved, there is danger of our enthusiasm to solve the general problem being damped. That hinders the solution, for the fact is that it means for a vast number of people the possibility of sacrificing some of those things they have enjoyed hitherto. What has made reform difficult in every country, and every generation, is the danger to the interests of certain classes.

We have a tremendous task. No one need worry over that very much for a while. I was criticised for saying some months ago at this Box that it would be years, or scores of years, before any Government sat on those benches, backed by a majority of the electorate, to support Socialism. I still say our task is a tremendous and gigantic task. Although it is tremendous, and although it is gigantic, I am still satisfied that, however slow progress may be, we must change the incentive to industrial economic activity from private financial gain to social good if this problem is to be solved. Parliamentary institutions are threatened. There is no danger to any Parliamentary institution which deals effectively with this problem of poverty. The only danger to Parliamentary institutions is if they fail in their main function, and do not give the people a full and healthy life.

7.6 p.m.

The MINISTER of PENSIONS (Major Tryon): The tone of this Debate, if I may say so, was set from the moment when, in order to describe the sufferings of people badly housed, the hon. Member for Bridgeton (Mr. Maxton) went to Conservative sources and found there a sympathetic, faithful and, I am sure, a true account of evils we all deplore. I take it that so far as these evils exist there can be no party difference between us, but only as to the methods by which we should make things better. A reference to that particular part of Glasgow, and its housing, I heard myself upon the wireless. I hope the authorities of Glasgow will actively push on with the Government scheme for making slum clearances, which places no restriction upon the corporation. That is the right means for dealing with the particular point with which the Debate was started.

But we are dealing with much more than the problem of slums. This is a proposal completely to revolutionise our trade, commerce, and the whole life of every person in the country. It is extremely unfortunate that, throughout the speeches, we have not gained the smallest knowledge of how this is to be done, and who is going to manage it. Is it to be managed by some of the Members of the late Government who still sit opposite us? I am sure that if it is to be managed in the spirit displayed by the last hon. Member who addressed the House it will have a much better chance of success than if it is advocated in the gospel of hatred, so often used by Socialist speakers for the purpose of producing the millennium. The hon. Member for Ince (Mr. G. Macdonald) desires that we should help each other, work for the good of all, and not for hatred, which is much more frequently used as an argument why people should adopt Socialism.

We have not had in the speeches any examples of countries which have successfully adopted Socialism, or mention of the time needed to bring it into operation. It is true that the hon. Member for East Woolwich (Mr. Hicks) in a peroration which, I think, must have been practised on platforms, told us that under his policy poverty would disappear. That is a large promise to make. He hurried to the assistance of the late Labour Government in the last election when poverty was not disappearing very rapidly. We have had the Russian five-year plan. The five-year plan has had to be made into a 10-year plan before it can be successful. We have just had a definite statement from the Front Bench opposite that it will be at least 15 years before anything can be expected to develop, because it is the case that the Russians have had only 15 years. Is it suggested that there will be the same problem in 10 years' time under the present Government, but that if you vote for the others it will be 15 years before anything is done?

Mr. G. MACDONALD: I did not stipulate any number of years.

Major TRYON: In a more cautious moment the hon. Member talked of scores of years before the Socialist party, really believing in the proposals put forward by the three or four members sitting on the benches below the Gangway, sit on the Treasury Bench. Scores of years seem a long period to have to wait.

Mr. MAXTON: We shall not have to wait that time.

Major TRYON: I have other plans I am going to expound.

Mr. MAXTON: You will have to get going quick, or you will not have a chance.

Major TRYON: Scores of years do not seem to suggest great hurry. There are other methods. Some dictator is to order the working classes about—so we heard in the Debate between Sir Oswald Mosley and the hon. Member for Bridgeton. The hon. Member for Bridgeton, being elected, is able to put his case tonight, but Sir Oswald Mosley is not able to be present because, although I understand he stood at the head of a National party, the whole of that party did not obtain as many votes as the humble Member who is now addressing the House. The proposers of this Motion are hopeless of anything being done within the framework of the capitalist system. We can say for this country that in a moment of peril throughout the world, with Parliaments falling and revolutions and fighting in every direction it stands more fast than any other country in the world. I hardly think that in this moment of world-wide peril this country can be expected to adopt the sweeping Motion now before the House. We are also a democratic country, and I do not think anyone will claim that the Motion will get support from the electorate. There is no support for this huge change.

Would it not be well to consider what is being done under the capitalist order? The people of this country, even in this terrible time, are, under the capitalist system, better off than any other people, and they are better off than they were some years ago. I have some interesting figures of what is being done under the capitalist system. We are at the present moment spending £125,000,000 a year in old age pensions, War pensions, widows' pensions, blind pensions, and contributory old-age pensions. Under the capitalist system this £125,000,000 is being spent, not for wealthy people, but in helping those suffering in various ways, or who are old and infirm. These pensions are being paid to nearly 4,000,000 people. The people who have gained in the last few years are people with fixed incomes. The people with fixed incomes, as everybody knows, are not capitalists. The people with fixed incomes in this country are those millions of pensioners—War pensioners, old age pensioners, and others drawing their pensions every week. They are far better off now, in this distressed moment, than they were a few years ago, because the pensions have remained fixed and the cost of living has unquestionably gone down.

Mr. RHYS DAVIES: Surely the right hon. and gallant Gentleman is not suggesting that contributory old age pensions are a cost to the State when contributions are payable by the employers and the employed?

Major TRYON: No, I was taking the State contribution in that particular case; I was not taking other contributions. From local authorities, out of the rates, there are various benefits to the extent of £47,000,000, and there are benefits to individuals, falling upon the municipalities, amounting to £131,000,000 a year. That is under the capitalist system. I was very much interested in the Amendment which is the last one on the Order Paper. There is a good deal in it. You must test the system not only by its own merits, but the burden you put upon it.

The hon. and learned Member for Central Nottingham (Mr. O'Connor), in a most interesting speech, pointed out that it may well be that the tax and burden of these social services are making it difficult for the system to carry on. I deduced from that not that we should abandon the capitalist system, as is proposed in this Motion, not that we should reduce the social services, but that we should try to fortify the industry of this country to enable it to give more employment and to carry these social services and, when the state of the country allows it, to improve them. We have heard nothing from the other side of the way in which the present Government have brought about changes, and I think it would have been fairer to mention the troubled state of the country

[Major Tryon.]

when the Government took over control of its affairs. Certainly the state in which we were at that moment has been improved, and the general decline has undoubtedly been arrested.

I was a little astonished, having sat and watched a Labour Government for two years, to read the statement in this Motion that the action of the present Government has been trifling. The Government have done, in passing Measures and in various other ways, as much in a single Session, the first one, as is often accomplished in the four or five years' lifetime of a whole Parliament. As the Motion directly alludes to the Government as only carrying trifling Measures, I would like to suggest what has been done. Within the first year we barred the abnormal imports of agricultural produce. That is, I suppose, but trifling. We barred the abnormal importation of manufactured goods. We have passed a Measure imposing a 10 per cent. duty on practically all the imports into this country. Hon. Members may or may not agree with it, but to say that that is a trifling Measure is ridiculous. Perhaps if we had done nothing at all, we might still have——

Mr. G. MACDONALD: Trifling in its effect.

Major TRYON: The hon. Member has very quickly made an addition, which would have made the Motion rather better than it is, but I am dealing with it as it stands on the Paper. Then we came to the problem of balancing the Budget, which had a possibility of a deficit of £170,000,000. When we took office that Budget was balanced. When it is said that we are only trifling with these matters, I cannot help reminding the House that we have, as a Government, introduced new tariffs which have already increased the revenue by £30,000,000 compared with last year. That is not trifling.

Sir HERBERT SAMUEL: By how much have they reduced it?

Major TRYON: I am not aware that new works which have been put up in this country, including new works in Darwen, have in any way lessened the income of the country. It was after this tariff had been passed and these changes had been made, that our trade balance with the world, which was so extremely serious, was improved by those means by which we were able to make that huge conversion, which is one of the great exploits of the present Government. I will not go into the whole problem of Imperial Preference, but surely, in a year in which one ship set out across the Atlantic containing such diverse Members of this House as the seven who set out in perfect harmony on that occasion, it should not be said that the Government have done nothing but trifle with the situation. I mention this, not because this is a Vote of Censure, but because I do not think those words, "foolish trifling," ought to refer to a Government which, in its first Session, produced a complete change in our whole national trade policy.

I ask hon. Members opposite to believe that, though we do not believe in Socialism, we believe that if these social benefits are to continue and these rates are to be maintained, we must have adequate trade, adequate finance, and a sufficiently strong nation to be able to carry on all that we are now doing for our people. We believe that this is not the time—indeed, I believe the time will never come—when it would be right to make this change, and I ask the House to vote against this Motion, first, because in any case this is not the time to make a revolutionary change; secondly, because it is perfectly clear that the electors of this country are not in favour of its being made, and we are still a representative body, and the country is governed by Parliament; and, finally, because no suggestion or detail whatever has been offered to this House as to what the hon. Members who moved this Motion would do. It is all very well in debate to read out a perfectly true account of the housing situation in Glasgow. We agree on that, but because there is bad housing in one particular town, that is no evidence that the State should take over and manage the whole business of the country. Therefore, for all these reasons, and because we think individual enterprise—which is the proper expression, not "the capitalist system"—is more in accordance with the traditional spirit of our people, I ask the House to reject the Motion.

7.22 p.m.

Mr. BUCHANAN: I want to say a word in reply to the hon. Member for Ince (Mr. G. Macdonald), whom I regret not to see in his place, regarding what the hon. Member for Shettleston (Mr. McGovern) said. The Labour party spokesman, in a very gentlemanly way, complained of the tone of the speech of my hon. Friend the Member for Shettleston. Need I remind him that we are not any longer in that party, that we are a separate group, and that, as such, we are entitled to criticise them?

Mr. DAVID GRENFELL: Thank God.

Mr. BUCHANAN: The hon. Member interjects, "Thank God." That may be so, but it is not long since his Leader pleaded with me to come back and join him and his party. I know that expression was only used in a fit of temper and is, therefore, forgivable. I have said equal things in temper, and so I can forgive others for doing it. I do not complain about their attacking me, but they complain that we criticise them in this House. What right have they to complain, when in my own division they have put up a candidate against me? Unfortunately, the candidate was in the High Court on a criminal charge. I never complain. I have never once complained about them. I have fought Communists, and I have fought everybody sometimes. Anyone has a right to oppose me who thinks he has an ideal worth putting forward, and I have never objected to their opposing me, but they must not complain when we, in the House of Commons, make criticism of them. When they go to my union and drive me out of my union, and get me refused political help, they must not complain that I put my case in the place in which I have been elected to serve. The hon. Member for Dumbarton Burghs (Mr. Kirkwood) knows how he was treated at the Election, and not only are they doing that, but they are trying to penalise humble followers of mine and of us on this bench.

We have brought forward this Motion, and we have stated our case. What is the case that is to be defended? The simple test of a system is this: Does it give to the great mass of the people, not only now, but for the future, a full and secure home life? The right hon. and gallant Gentleman the Member for Brighton (Major Tryon) gave some figures about old age pensions in the course of his good-natured reply. He said that they had been given security, 10s. a week security. Yes, they have been given security in their poverty, because that is what 10s. a week means, and, when the right hon. and gallant Gentleman quotes the old age pensions, he fails to perceive that alongside of them comes a system of increasing poverty. He did not attempt to argue that a year or two ago the great mass of the people had higher incomes than they have now. Nobody denies that they had higher unemployment benefit and that they had no means test, and the capitalist system now comes along and says it must lower the benefit.

There is not a man in this House who will deny that the figures for unemployment may go up. Nobody has ever seen them at 3,000,000 before, and they may go up still further. If they do, unemployment benefit under this system must come down. I recently met a leading official in connection with unemployment insurance, and he said: "We can maintain the unemployed at the 3,000,000 level at present, but let it reach a much higher figure, and the figure for maintaining the unemployed must come down." What does that mean? It means that the greater the difficulties into which capitalism gets, the only section that must bear the brunt of solving the problem is the working people.

The only point ever made against us is this: You do not come, cut and dried, down here and tell us your future order. Those who started to mould the capitalist system could not have framed the system before it developed. Is the present system right or wrong? Is our contention a better contention? Our simple, elementary claim is that wealth is socially produced, that all wealth, whether it is the clothes we wear or the house we own, is the result of social, necessary labour applied to the raw materials of mankind. We say that if wealth is socially produced, if everything we have comes of the social productivity of mankind, wealth, being socially produced, ought to be socially owned and socially used.

Question put,

"That this House recognises that the widespread poverty of the people cannot be removed within the framework of the capitalist order of society, which is not progressing towards prosperity but heading for collapse, and condemns the present policy of the Government as foolish trifling with a serious situation."

The House divided: Ayes, 42; Noes, 255.

Division No. 75.] AYES. [7.30 p.m.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Batey, Joseph
Bevan, Aneurin (Ebbw Vale)
Cape, Thomas
Cocks, Frederick Seymour
Cove, William G.
Cripps, Sir Stafford
Daggar, George
Davies, David L. (Pontypridd)
Davies, Rhys John (Westhoughton)
Edwards, Charles
Greenwood, Rt. Hon. Arthur
Grenfell, David Rees (Glamorgan)
Griffiths, T. (Monmouth, Pontypool)
Groves, Thomas E.
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Hicks, Ernest George
Hirst, George Henry
Jones, J. J. (West Ham, Silvertown)
Jones, Morgan (Caerphilly)
Kirkwood, David
Lansbury, Rt. Hon. George
Lawson, John James
Leonard, William
Logan, David Gilbert
Lunn, William
Macdonald, Gordon (Ince)
McEntee, Valentine L.
Maclean, Neil (Glasgow, Govan)
Maxton, James
Parkinson, John Allen
Price, Gabriel
Thorne, William James
Tinker, John Joseph
Wallhead, Richard C.
Williams, David (Swansea, East)
Williams, Edward John (Ogmore)
Williams, Dr. John H. (Llanelly)

TELLERS FOR THE AYES.—
Mr. Buchanan and Mr. McGovern.

NOES.

Agnew, Lieut.-Com. P. G.
Allen, William (Stoke-on-Trent)
Amery, Rt. Hon. Leopold C. M. S.
Aske, Sir Robert William
Atholl, Duchess of
Atkinson, Cyril
Baillie, Sir Adrian W. M.
Baldwin, Rt. Hon. Stanley
Balfour, Capt. Harold (I. of Thanet)
Barclay-Harvey, C. M.
Barrie, Sir Charles Coupar
Beauchamp, Sir Brograve Campbell
Beaumont, M. W. (Bucks., Aylesbury)
Beaumont, Hn. R. E. B. (Portsm'th, C.)
Belt, Sir Alfred L.
Bernays, Robert
Boothby, Robert John Graham
Borodale, Viscount
Boulton, W. W.
Bower, Lieut.-Com. Robert Tatton
Bowyer, Capt. Sir George E. W.
Bracken, Brendan
Briscoe, Capt. Richard George
Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Col. D. C. (N'th'l'd., Hexham)
Brown, Ernest (Leith)
Brown, Brig.-Gen. H. C. (Berks., Newb'y)
Browne, Captain A. C.
Buchan-Hepburn, P. G. T.
Burnett, John George
Campbell, Vice-Admiral G. (Burnley)
Caporn, Arthur Cecil
Carver, Major William H.
Castlereagh, Viscount
Cautley, Sir Henry S.
Cayzer, Sir Charles (Chester, City)
Cazalet, Thelma (Islington, E.)
Cazalet, Capt. V. A. (Chippenham)
Chamberlain, Rt. Hon. N. (Edgbaston)
Chapman, Col. R. (Houghton-le-Spring)
Chapman, Sir Samuel (Edinburgh, S.)
Clarke, Frank
Clarry, Reginald George
Clayton, Dr. George C.
Collins, Rt. Hon. Sir Godfrey
Colville, Lieut.-Colonel J.
Conant, R. J. E.
Cook, Thomas A.
Cooke, Douglas
Copeland, Ida
Courthope, Colonel Sir George L.
Cowan, D. M.
Craddock, Sir Reginald Henry
Croft, Brigadier-General Sir H.
Crookshank, Capt. H. C. (Gainsb'ro)
Cross, R. H.
Crossley, A. C.
Cruddas, Lieut.-Colonel Bernard
Culverwell, Cyril Tom
Davies, Maj. Geo. F. (Somerset, Yeovil)
Davison, Sir William Henry
Denman, Hon. R. D.
Denville, Alfred
Dickie, John P.
Donner, P. W.
Drewe, Cedric
Duckworth, George A. V.
Duggan, Hubert John
Duncan, James A. L. (Kensington, N.)
Dunglass, Lord
Ellis, Sir R. Geoffrey
Elmley, Viscount
Emrys-Evans, P. V.
Entwistle, Cyril Fullard
Erskine, Lord (Weston-super-Mare)
Evans, David Owen (Cardigan)
Evans, Capt. Ernest (Welsh Univ.)
Evans, R. T. (Carmarthen)
Everard, W. Lindsay
Ford, Sir Patrick J.
Fox, Sir Gifford
Fremantle, Sir Francis
Galbraith, James Francis Wallace
Ganzoni, Sir John
Gault, Lieut.-Col. A. Hamilton
Gluckstein, Louis Halle
Goodman, Colonel Albert W.
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Grattan-Doyle, Sir Nicholas
Graves, Marjorie
Gretton, Colonel Rt. Hon. John
Griffith, F. Kingsley (Middlesbro', W.)
Grimston, R. V.
Guinness, Thomas L. E. B.
Gunston, Captain D. W.
Guy, J. C. Morrison
Hales, Harold K.
Hamilton, Sir R. W. (Orkney & Zetl'nd)
Hammersley, Samuel S.
Hannon, Patrick Joseph Henry
Harbord, Arthur
Hartland, George A.
Harvey, Major S. E. (Devon, Totnes)
Haslam, Sir John (Bolton)
Headlam, Lieut.-Col. Cuthbert M.
Hepworth, Joseph
Herbert, Capt. S. (Abbey Division)
Hope, Capt. Hon. A. O. J. (Aston)
Hore-Belisha, Leslie
Hornby, Frank
Horsbrugh, Florence
Howard, Tom Forrest
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M. (Hackney, N.)
Hudson, Robert Spear (Southport)
Hume, Sir George Hopwood
Hunter, Dr. Joseph (Dumfries)
Hurst, Sir Gerald B.
Hutchison, W. D. (Essex, Romf'd)
Iveagh, Countess of
Jamieson, Douglas
Jennings, Roland
Joel, Dudley J. Barnato
Johnstone, Harcourt (S. Shields)
Jones, Henry Haydn (Merioneth)
Jones, Lewis (Swansea, West)
Ker, J. Campbell
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Kirkpatrick, William M.
Knebworth, Viscount
Knox, Sir Alfred
Law, Sir Alfred
Law, Richard K. (Hull, S.W.)
Lees-Jones, John
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Levy, Thomas
Lindsay, Noel Ker
Llewellin, Major John J.
Lloyd, Geoffrey
Loder, Captain J. de Vere
Lovat-Fraser, James Alexander
Lyons, Abraham Montagu
Mabane, William
MacAndrew, Lt.-Col. C. G. (Partick)
MacAndrew, Capt. J. O. (Ayr)
McCorquodale, M. S.
Macdonald, Sir Murdoch (Inverness)
Macdonald, Capt. P. D. (I. of W.)
McKie, John Hamilton
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Macmillan, Maurice Harold
Magnay, Thomas
Maitland, Adam
Makins, Brigadier-General Ernest
Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. R.
Marsden, Commander Arthur
Mason, David M. (Edinburgh, E.)
Mason, Col. Glyn K. (Croydon, N.)
Mayhew, Lieut.-Colonel John
Merriman, Sir F. Boyd
Mills, Major J. D. (New Forest)
Milne, Charles
Mitchell, Harold P. (Br'tf'd & Chisw'k)
Mitchell, Sir W. Lane (Streatham)
Morgan, Robert H.
Morris, Owen Temple (Cardiff, E.)

Morrison, William Shepherd
Munro, Patrick
Nation, Brigadier-General J. J. H.
Newton, Sir Douglas George C.
Nicholson, Godfrey (Morpeth)
Nunn, William
O'Donovan, Dr. William James
Ormsby-Gore, Rt Hon. William G. A.
Patrick, Colin M.
Peake, Captain Osbert
Perkins, Walter R. D.
Petherick, M.
Peto, Geoffrey K.(W'verh'pt'n,Bilston)
Pickering, Ernest H.
Power, Sir John Cecil
Raikes, Henry V. A. M.
Ramsay, T. B. W. (Western Isles)
Ramsbotham, Herwald
Rankin, Robert
Rea, Walter Russell
Reid, Capt. A. Cunningham-
Reid, James S. C. (Stirling)
Roberts, Aled (Wrexham)
Roberts, Sir Samuel (Ecclesall)
Robinson, John Roland
Ropner, Colonel L.
Rosbotham, Sir Samuel
Ross, Ronald D.
Ross Taylor, Walter (Woodbridge)
Runge, Norah Cecil
Russell, Alexander West (Tynemouth)
Russell, Richard John (Eddisbury)
Rutherford, John (Edmonton)
Salt, Edward W.
Samuel, Sir Arthur Michael (F'nham)
Samuel, Rt. Hon. Sir H. (Darwen)
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Sanderson, Sir Frank Barnard
Savery, Samuel Servington
Selley, Harry R.
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Simmonds, Oliver Edwin
Skelton, Archibald Noel
Slater, John
Smith-Carington, Neville W.
Somervell, Donald Bradley
Somerville, Annesley A. (Windsor)
Sotheron-Estcourt, Captain T. E.
Southby, Commander Archibald R. J.
Spencer, Captain Richard A.
Spender-Clay, Rt. Hon. Herbert H.
Stanley, Lord (Lancaster, Fylde)
Stanley, Hon. O. F. G. (Westmorland)
Stevenson, James
Storey, Samuel
Strauss, Edward A.
Strickland, Captain W. F.
Templeton, William P.
Thomas, James P. L. (Hereford)
Titchfield, Major the Marquess of
Todd, A. L. S. (Kingswinford)
Train, John
Tryon, Rt. Hon. George Clement
Turton, Robert Hugh
Vaughan-Morgan, Sir Kenyon
Wallace, Captain D. E. (Hornsey)
Wallace, John (Dunfermline)
Ward, Lt.-Col. Sir A. L. (Hull)
Ward, Irene Mary Bewick (Wallsend)
Ward, Sarah Adelaide (Cannock)
Wardlaw-Milne, Sir John S.
Warrender, Sir Victor A. G.
Waterhouse, Captain Charles
Weymouth, Viscount
Whiteside, Borras Noel H.
Whyte, Jardine Bell
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Windsor-Clive, Lieut.-Colonel George
Winterton, Rt. Hon. Earl
Wise, Alfred R.
Wood, Sir Murdoch McKenzie (Banff)

TELLERS FOR THE NOES.—Commander Cochrane and Mr. O'Connor.

WHOLESALE PRICES.

7.40 p.m.

Mr. HAMMERSLEY: I beg to move,

"That this House welcomes the Government's declared intention to raise wholesale prices, gold prices if possible, but in any case sterling prices, and urges the Government, without waiting for the international consideration of gold prices, to give immediate effect to a definite and whole-hearted policy of raising sterling prices."

Unlike the Motion which has just been debated, this Motion does not lend itself to great emotion or flights of oratory. I listened to the greater part of the previous Debate, and I was struck by the practically unanimous feeling of disquiet which was evinced from every section of the Chamber in respect to the prevailing conditions. That feeling of disquiet affects us in different ways. There are some who think it their duty to suggest that the only way to get out of our trouble is by raising strong emotions and national discontent in the hope that something, which is more hidden than explained by the words "downfall of the capitalist system," will take place. There are others—and I count myself among the number—who believe that our present discontent requires very careful study, and some modification of our existing system will probably do much more good than any ill-considered step in the dark.

This Motion calls for a rise in wholesale prices. I would like at the outset to make clear what I mean by wholesale prices. I hope that in that explanation I shall remove a little misapprehension which appears to exist in the minds even of some Members of the House. There is a common view that the wholesale price level is the average level at which goods are sold in the wholesale market. As a matter of fact, the words "wholesale price level" have a much more restricted use in practice. The Board of Trade Index of wholesale prices includes basic commodities like metals, raw materials, and cereals, and also a few semi-finished raw materials like iron bars and cotton yarn; but it does not include the bulk of manufactured articles. I make this point, because the natural predilection in the minds of people is that, if the wholesale price level goes up or down, there will be a considerable rise or fall in the retail price level and a proportionate effect on the cost of living. That view is not accurate. In the case of textiles such as cotton, silks and wool, the cost of raw material very seldom exceeds 25 per cent. of the total cost of production, so that if there was a rise of 50 per cent. in the wholesale price of the raw material, there would be a rise of only 10 per cent. in the cost of the finished goods. That argument must be carried a little further if you refer to the cost of living, because in the cost of living items are included—such as rent—which are immovable. One would say that a variation in the wholesale price level causes a smaller variation in the retail price level, and a smaller variation still in the cost of living.

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In recent years we have experienced the results of a quick and rapid fall in wholesale prices, and we know that the retail prive level has been coming down much more slowly. That has frequently been a cause of complaint. I do not want to enter into the rights and wrongs of such complaints, but I do wish to say that arguments resting on the assumption that the rise and fall should be proportionate are to that extent ill-founded. It is clear that a rise or fall in the wholesale price level cannot be completely reflected in retail prices. A further point is that, provided there are no other factors to affect the situation, the higher the wholesale price level the less the spread between the two ranges of prices. I make these initial remarks to safeguard myself against a red herring being drawn across this discussion by anyone putting forward the view that a rise in the wholesale price level is not desirable because it would cause a corresponding increase in the cost of living. I do not deny that if there is a large increase in the cost of primary products there would be some reflection of it in retail prices, but I do assert that a rise in wholesale prices would, by increasing employment and providing profitable production, overwhelmingly outweigh any small disadvantages to the cost of living.

This Motion is in two parts. First of all, it congratulates the Government on its policy to raise wholesale prices. I do not think the House will expect me to supply any long argument to indicate why a rise in wholesale prices is necessary. It goes without saying that no individual or group of individuals can continue indefinitely to produce at a loss, that is, to sell the article they make at a figure which does not completely cover all the costs of production. I say "all the costs of production," because if all those costs depended on the price level it would not matter very much at what the price level stood; but, as I have already indicated, there are factors in the costs of production which are not variable with the price level, factors such as rent, rates, taxes, cost of borrowing money, some which are controlled by contract and some which are determined by law. It follows automatically that unless all these costs of production, some of which do not decline with the fall in price level, can all be recovered in the selling price of the article, the time will come when the individual, firm or company will go bankrupt.

In 1924, when the wholesale price level was more than 60 per cent. higher than to-day, we had less than half our existing volume of unemployment. What satisfaction is it to the community to be able to buy articles at low prices, or to see articles on sale at low prices, if they have no money in their pockets with which to buy? When I walk about the streets and see, as I frequently do nowadays, articles on sale in shops at prices which I know are below the cost of production, it does not fill me with pleasure. To me it is a fore knowleldge of works closing down and of workpeople swelling the ranks of the unemployed. Nearly two years ago, in 1931, the Macmillan Committee reported:

> "The recent increase in unemployment in every part of the world, accompanied by a decline in production, can in the main be attributed to the fall in the level of prices."

The growth of unemployment is not the only result of a continuous decline in the price level. Such a decline automatically increases that share of the national wealth which is owned by those whose incomes are derived from fixed interest bearing securities. A fall in wholesale prices automatically redistributes the national wealth at the expense of the producer, at the expense of the active individual, at the expense of that section of the community to whom we must look for the future of the race. According to Mr. Joseph Kitchen in certain figures published in the "Economist" in 1924 26 per cent. of the national income was represented by those with fixed money obligations. To-day, provided the national income were the same—of course, it has decreased—and no other factors had redistributed the national income, the mere fall in the price level would have meant that that 26 per cent. had grown to 44 per cent. It is a mere arithmetical calculation, based on the fact that a fall in the price level advantages those whose section of the national income remains stationary while every other section is falling.

Mr. HERBERT WILLIAMS: Has the hon. Gentleman taken into account the effect of the conversion schemes?

Mr. HAMMERSLEY: No. In making that calculation I said most definitely "providing no other factors had affected the redistribution of the national income." There are, of course, many other considerations, but I am simplifying my argument by pointing out that that one factor, if isolated, had by itself had this tremendous effect. Over a course of years, quietly, steadily, imperceptibly, almost in the night, as it were, forces have been at work which have been attempting to dispossess the producing classes of something like 18 per cent. of the national income, and when it is remembered that that proportion represents more than the total profits of all enterprise it may be realised what a divergence of interest is immediately set up between two producing sections, the wage earners and the employers, how a demand for wage reductions must arise and how the monotonous spectacle of company after company showing no profits has come about. To those members of the Labour party who are rather doubtful about the policy of raising wholesale prices I recommend these facts for careful consideration. Statistics, authority—I refer to the findings of every impartial and important committee in recent years—and experience re-echo the observations of the Macmillian Report, that a failure to redress the fall in prices will endanger the principles on which modern economic society is founded.

I come now to the second part of my Motion, the more controversial part, that which urges the Government not to wait upon international co-operation but itself to take steps to redress this fall in prices in the area over which it has control. How can it be done? The accepted method of raising prices is to increase the quantity of money, to go in for an expansive monetary policy. We must have an expansive monetary policy. I do not doubt that there will be in the House some who are a little dubious as to whether monetary policy can have an effect upon prices. If there are any such, I would say that the Gold Standard system worked very effectively for scores of years before the War, and would probably have continued to work if all the other nations had known how to play the game of the Gold Standard. How does the Gold Standard system work? It works by varying the purchasing power of a currency in order that the purchasing power of various currencies as expressed in gold is uniform. The purchasing power of a currency is, of course, a measure of prices.

How is that variation of the purchasing power of the currency brought about? It is brought about by monetary policy, by making money dearer, or cheaper, through the Bank Rate, or by increasing or decreasing the quantity of money through the open market policy. Therefore, to deny that monetary policy can affect prices is to deny the existence of the Gold Standard, and whoever may put forward that argument certainly my hon. Friends the Members for East Edinburgh (Mr. D. Mason) and South Croydon (Mr. H. Williams) will not use it, because to do so would be foolish indeed. They would be advocating a return to the system whilst denying that the machinery exists to make that system work. But I agree that there is a difficulty and a great difficulty. It is not enough to know that monetary policy affects prices, it is not enough to press for an expansive monetary policy. In the present state of the world we are up against the fact that what affects prices is the quantity of money in actual use. Money which may be hoarded, or left on deposit, is useless in respect of its power to affect prices. Last year we had £260,000,000 increase in the deposits of the joint stock banks, and a decrease of £120,000,000 in their advances. In other words, there was an increased supply of money and a decreased use of it.

The practical problem before us is how the increased quantity of money which is available can be brought into active circulation. The first point we must realise is that we have to work through the existing monetary machine. We cannot force bankers to lend if they consider it unsafe to lend. We cannot force borrowers to borrow if they think they cannot find profitable use for additional funds. Yet additional money must pass into use. That is an absolute necessity. We may perhaps take a little lesson from what has happened recently in the United States of America. There it was realised that additional credit ought to be brought into use. Additional credit was made, but none of it filtered through to the public. It was used, and very much more than was available could have been used, in an attempt to unfreeze the banks, and because such a large quantity of money was necessary to unfreeze the

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banks there arose the lack of confidence in the banks. Hoarding arose, and very much more money was going out of use than was being brought into circulation.

For our own situation, we have to realise that additional money must pass into use, and in order that it may pass into use, two conditions have to be satisfied. Lenders, that is the joint stock banks, have to appreciate that the money they lend is safe. Borrowers have to feel that there is a reasonable chance for a profitable investment. In connection with the first condition, that money must be safe, the country must note that, from the point of view of British banking practice, there is hardly a basic trade in this country which is credit-worthy. Iron, steel, cotton, coal—you can go through the list—are not considered collateral and suitable industries to which the joint stock banking system can lend further assistance. On the contrary, most of those basic trades find the banks not giving them additional money but asking them to free their existing frozen position. They are being asked to see that their first job, having regard to the interests of their depositors and shareholders, is to make their position as liquid as possible. You find—I speak from personal knowledge of the trade with which I am associated, that in the majority of those basic trades there is not an increased lending but a decreased lending. The nation cannot afford to see those basic industries, which provide the bulk of employment for our people and are the foundation upon which our industrial greatness has been built, fall into decay.

There is thus a diversity of interest between prudent banking practice and national requirements. How can that diversity of interest be resolved? How can that gap be bridged? It can be, and it must be, bridged, if we are not to sink to the level of a second-class Power. The production of the nation considered to be essential should be made credit-worthy, from a banker's point of view, by some kind of Government guarantee, which involves some kind of Government control. Thus we are brought right up against the issue of nationalisation. There is a half-way course which would enable us to use the existing banking machine, and to retain the initiative of individual enterprise. In a sentence, it is a subsidy to selected exports. There must be some discrimination in respect of the subsidy, because it would probably do much more harm than good to subsidise all our industries. We have to subsidise those exports for which there is, practically speaking, an unlimited demand at the right price.

Take the textile trade. When we went off the Gold Standard there was, in the three months which followed that going off, an increase in exports of over 25 per cent., and that would have been furthered, had not that business been taken by Japan, who depreciated her currency by over two-thirds in 12 months. In the world market, we shall find that there is a large, unsatisfied need for cotton goods at the right price. Unlike many other commodities, the world-consumption of cotton is not going down, but is going up. Subsidies to definitely-known, particular lines of export in cotton goods would be a remunerative proposition, from the point of view that the goods could be sold and that there is no fear of their ceasing to be required. We should put into work many scores of thousands of workers in Lancashire and we should make at least a proportion of that industry credit-worthy. Money would flow into use, and in use would do its work to redress the fall in prices.

Not only would those subsidies put workers back to work in their own trades, but, through wages, would build up their purchasing power, the purchasing power of the people who must spend, and that would create a greater demand, not only for home goods but for imports. In that way, we should increase reciprocal world trade, rather than depend, as we are forced to depend at the present time, upon methods which have the effect of depreciating the value of the pound, which is a one-way traffic that tends to decrease world trade. This system would make for the increase of exports and the decrease of imports. As to how these exports should be selected is a question that I will leave to be considered by my hon. Friend the Member for Stockton-on-Tees (Mr. Macmillan). I hope that he will catch Mr. Speaker's eye, and I do not want to delay the House from hearing him.

The other method which I talked about of passing money into use is to induce reluctant credit-worthy borrowers to borrow. The only substantial credit-worthy borrower is the Government, and that brings us right into the question of schemes involving Government expenditure. I believe that subsidies to selected exports would be more efficacious than Government expenditure, but there is a place for both. Particularly, we have in mind an overriding consideration that we must have value for money spent. I recapitulate: Subsidies to selected exports and reproductive work of national importance. Those are two methods of forcing idle money into use. The other method is the raising of the level of prices.

There are two additional courses which react in the same direction, both of which I commend to the Government for adoption. We have in recent Debates heard a great deal of the word "confidence." The word has been used in different applications, and some of these different applications have tended to confuse our counsel. Confidence in the ruling authority the Government have already given us. Confidence in business is still to come. If the Government, by their attitude, show that they have confidence in the future trade of this country, a great deal will be done. They could show that confidence by suspending the Sinking Fund and by a reduction of taxation, not in the expectation of a lower yield, but in the expectation of a higher ultimate yield.

Those methods, coupled with the Government's policy of seeing that the Bank of England continues to pump credit into the joint stock banks, would be a signal to the world that in sterling, at all events, prices are on the upward trend. By maintaining and by increasing the present pressure of cheap money and by providing the outlets that I have indicated, the Government could keep up sterling prices. The excuse that they are willing to do so, but unable, is not a valid excuse. We require boldness, courage and determination. I appeal to the Chancellor of the Exchequer, not on grounds of sentiment, but on grounds of reason. Confidence is the life blood of trade. The probability of higher prices, is confidence. The Government's policy was stated by the Chancellor of the Exchequer, in his speech on 16th February. It is set out in my Motion. I beg the House to accept that Motion, knowing that by so doing they will be pressing the Government to push on vigorously with its own policy, and knowing, moreover, that that policy, resolutely carried out, will lead us surely and certainly to better times.

8.11 p.m.

Mr. AMERY: I beg to second the Motion.

My hon. Friend has invited the House to endorse the declaration given by the Chancellor of the Exchequer on 16th February, that it is the policy of this Government to raise wholesale prices—gold prices if possible, but at any rate sterling prices—and to urge upon the Government the desirability of giving immediate and whole-hearted effect to the policy embodied in that declaration. My hon. Friend in the earlier part of his speech dealt very lucidly with the economic effects of the fall in prices. I need not follow him closely in that aspect of the matter. What I should like to do is to concentrate upon the urgency and need for immediate, prompt and whole-hearted action by ourselves, without waiting for the possible outcome of the international Conference.

This question is not new. It is almost two years now since the Report of the Macmillan Committee was in the hands of the Government of the day. That Committee in its Report—the most authoritative Report of the sort that has ever appeared—regarded this whole question as one of extreme urgency and, in passages of almost impassioned foreboding, it pictured the whole world rushing headlong to ruin, and urged the need for effective and immediate measures to counteract a world-wide collapse.

Let me remind the House, as briefly as I may, what the cause of that calamity was, in the view of the Macmillan Committee. The Committee did not assign unemployment, and the depression and stagnation of trade, to some of those general causes which are so frequently quoted in speeches to-day—over-production, tariff barriers, or the breakdown of the capitalist system. They assigned the depression to a quite definite and specific cause, namely, the fall in prices resulting from monetary contraction and dislocation, which in its turn, was due to the interaction of a number of factors, both monetary and non-monetary—in other words, to the "failure of the monetary

[Mr. Amery.]

system to solve a problem of unprecedented difficulty set by a conjunction of highly intractable non-monetary phenomena." They pointed out that throughout history such a fall in prices has been the most serious cause of social discontent and political disruption. Some of the effects of such a change of prices on the condition of the country have been described to us this afternoon on an earlier Motion. The Report emphasised that it was essential to stop that downward process. The Committee urged, if I may quote the language of the Report, that

> "To allow prices to be stabilised at approximately their present level would be a serious disaster to all countries of the world alike, and the avoidance of such an event should be the prime object of international statesmanship. Our objective should be, so far as it lies within the power of this country to influence the international price level, first of all to raise prices a long way above the present level, and then to maintain them at the level thus reached with such stability as can be managed. We recommend that this objective be accepted as the guiding aim of the monetary policy of this country."

When the Committee reported, we were still on the Gold Standard. The possibility of our breaking away from it had not been seriously contemplated, and it was not contemplated by the Committee. The recommendation which I have just quoted was in favour of international action, so far as we could influence the international situation, though I might add that in a number of their recommendations the Committee pointed very definitely to action on national lines. For instance, they recommended a very fundamental change in our whole monetary system when they advised that we should get away from the idea of a currency based on gold with a fixed fiduciary issue, and should substitute a currency quantitatively adequate to the needs of the country, only based upon gold in so far as gold might happen to be in this country conveniently available for purposes of rectifying international exchange.

Indeed, their whole condemnation—drastic condemnation—of the policy by which we re-established ourselves on the Gold Standard, indicates that, in the entirely changed situation which arose after we broke away from the Gold Standard, the Committee would have made very different and more far-reaching recommendations than they did. Our breaking away from the Gold Standard altered the whole situation. It altered our whole outlook, because it revealed to us for the first time our immense strength. For the first time we realised that this country did not stand alone as a sterling country, that breaking away from the Gold Standard would not expose it to those violent changes in the prices of our imported necessities that had been so often predicted. We discovered that with us went a large part of the rest of the world—by far the greater part of the British Empire and a considerable number of other countries—which between them furnished our main sources of supply both of foodstuffs and of raw materials. The consequence was that, so far from being exposed to a period of violent fluctuations, we, under sterling, have enjoyed a far greater stability than the rest of the world.

Our price level has been practically constant. Its fluctuations have not extended more than some 4 per cent. one way or the other, whereas, since September, 1931, world prices have fallen by not far short of another 15 per cent. So great has been the combined power of our position as the greatest importing market and the strength of our sterling supplies, that sterling prices have governed imports from gold countries, instead of imports from gold countries governing prices in this country. I cannot imagine that under those conditions the Macmillan Committee, who laid such stress on the importance of a managed currency, and on the importance of managing it so as to reach the price level needed, would not have advocated a fearless use of our sterling position in order to secure for us and the rest of the sterling world a price level on which industry and agriculture could carry on, with the burden of overheads kept down to a reasonable proportion as compared with the prices at which goods could be sold. I admit that for the first few months Ministers were naturally absorbed in the business of a new Government, the balancing of the Budget, and the making of provision for a better balance in our foreign trade; but I must say frankly that I do not feel that nearly enough has been done since then to make use of the strength of our position and to restore our prosperity and, by doing so, to contribute to the restoration of the prosperity of the world. One important step, undoubtedly, was taken. That was the great conversion scheme which was inaugurated by the Chancellor of the Exchequer and carried through with such courage and skill, and which has given us, at any rate, one important factor in the restoration of a better price level, namely, a cheap money market. Beyond that, however, I confess it seems to me that the attitude of the Government has been a little uncertain and hesitating, that they have been far too much inclined to wait upon what others might do.

I think we missed a great opportunity at Ottawa to link up an Empire fiscal policy with an Empire monetary policy. Indeed, without the latter, fiscal policy is largely in the air, because the whole value of the preferences agreed upon can be undermined and frustrated by changes in the monetary value of the currency of the different countries. To take but one example, the fact that New Zealand was forced off her previous parity, owing to our not being able to bring sterling prices to a higher level in the Empire as a whole, has, in effect, undone the concessions which she gave to us at Ottawa. As far as the New Zealand manufacturer is concerned, he has at this moment an additional tariff of something like 12 per cent. in his favour above that which he enjoyed six months ago, and the taking off of the 5 per cent. New Zealand surtax has been undone at least twice over, while, on the other hand, the New Zealand producer enjoys a corresponding additional advantage over the British farmer, and over his other competitors in the Empire, as compared with the position in which he stood last August. I realise that the negative attitude which the British Government took up at the Conference was largely based on the feeling that this matter could only be settled internationally; and the Chancellor's declaration, while tentatively advocating a policy of increased prices, took the line that "the absence of a rise in gold prices inevitably imposed limitations on what could be done for sterling." With that statement, I respectfully beg to disagree entirely.

An argument that I have occasionally heard advanced for the necessity of dealing with this matter internationally is that any action on our part to raise our sterling price would correspondingly push down gold prices outside and set up a new competition of yet lower prices and so frustrate the success of our policy. I do not believe that for a moment. I agree with what Mr. McKenna said not long ago, that "there is no foundation, either in logic or in the record of facts, for the assertion that our departure from gold was responsible for the downward movement of gold prices." The price level of Great Britain is of the first importance to the world, not as a matter of exchange but because of our predominance as an import market and, if we raise sterling prices throughout the Empire—throughout the sterling area—set industry and agriculture on its feet and create an increased demand, that is bound to exercise a hardening effect upon the price of commodities in the world outside. If you argue that a rise in gold prices makes it easier to raise sterling prices, obviously a rise in sterling prices would equally make it easier to bring about a rise of gold prices outside.

I am glad to think that the Chancellor of the Exchequer is now taking a somewhat different line. At any rate, the statement that he made on 16th February was a very substantial advance on the declaration that he made at Ottawa. If he could have made it then, it would have been an immense encouragement to some of the other Governments of the Empire. But I hope to-night he will implement that statement by indicating the positive lines on which to carry it out, because on 16th February, after making that declaration, he proceeded to hark back in a rather curious fashion to the idea that this matter could only be solved at a World Conference. He is not alone among members of the Government in this perennially undiscourageable devotion to the idea that something will come of the World Conference, that Micawber-like faith that somehow, if we cannot do things for ourselves, if only we can meet a sufficient number of foreigners round a table, something fortunate will turn up.

Mr. DAVID MASON: Will the right hon. Gentleman recall that declaration to the House?

Mr. AMERY: It is more or less verbally embodied in the Motion. My right hon. Friend then stated that the policy of the Government was to raise wholesale prices—"gold prices if you can,

[Mr. Amery.]

but, in any case, sterling prices." What is that we can really hope to secure from an international conference? It is certainly not the restoration of the Gold Standard as it existed before. That Gold Standard worked perfectly well as long as its control was vested in an internationally minded City of London. When that control passed into the hands of a great Power like the United States, pursuing an intensely national policy, the Gold Standard was bound to break down. Indeed, the disasters that have befallen the world are due to the misguided idea that in present world conditions you can restore a single so-called automatic international standard.

It is true that those who talk about the possibility of returning to that Standard are generally prudent enough to lay down certain conditions. They lay down among the conditions a satisfactory settlement of the Debt question. I admit that such a settlement is not only desirable in itself, but would ease the world monetary situation. But I think we ought to beware of exaggerating the importance that the international debt situation has played in bringing about the monetary disaster. Of the payments due to America, and responsible for the sucking of gold into that country, in 1930 only some 15 per cent. were governmental payments. The commercial debt due on American investments was 2½ times as great as the War Debt payments. The commercial debt due on the American balance of visible trade was more than three times as great. If there had been no inter-governmental debts, yet, with America's enormous economic preponderance and the nationalist policy that she was pursuing, the Gold Standard would have broken down just the same.

Another condition laid down by most of those who contemplate the restoration of an international standard is the correction of the present maldistribution of gold. The United States have been bitten pretty hard in their foreign investments in recent years. You are not going to get them to lend on a colossal scale. Nor are you going to get them, or any other great country inspired by a policy of economic nationalism, to allow such a free working of the Gold Standard as will lead to an influx of gold sending up prices, checking exports and encouraging imports. The countries of the world to-day are not prepared to accept these consequences of an automatic international system. Last of all, we are told to get rid of tariff barriers and exchange restrictions, to get rid, in fact, of economic nationalism. But how are you to do it? Does anyone think that the United States, with 12,000,000 unemployed, are going to throw open their doors to foreign competition and allow it to take such a hold upon their economic system as to redress the balance? They are the last people in the world to be prepared to submit to the temporary hardships which that would involve. Is Japan, our foremost industrial competitor, going to forgo the advantages of her present position in order to tie herself up to an international standard? Are Italy and Germany going to abandon their economic independence in order to re-establish economic internationalism? In the introduction to the agenda of the World Conference, not otherwise a very illuminating document, there is one phrase which caught my eye and which sums up the whole situation.

> "It is impossible to maintain an international monetary system except on the basis of an international economic system."

We are still a very long way from an international economic system and, therefore, we may assume that we are a very long way from an international monetary system. It will be a long time before the Humpty-Dumpty of the Gold Standard will be set up on his wall again. Meanwhile, I trust that no side issue, no concessions in respect of our Debt, for instance, will induce us again to put the noose of the Gold Standard round our necks and give the other end of the rope into the hands of the United States. I do not wish to say that some good may not come out of the international conference. It may be possible to get some agreement to get rid of the most-favoured-nation clause and so make the possibility for mutual negotiation among countries, and thus for some practicable extension of freer trade over large groups. It may be possible to come to some reasonable informal understanding among the great monetary Powers to pursue a policy of restoring the price level on parallel lines. That is all to the good, but we cannot wait for that. Indeed, the question itself is not going to wait. The situation in the United States, since we put down this Motion on the Paper, has taken charge. What is even more significant, President Roosevelt has taken charge of the situation. He proposes action in this matter, but American action, not international action. Let me quote what seems to me to be the most significant passage in his whole inaugural address:

> "Our international trade relations, though vastly important, are in point of time and necessity secondary to the establishment of sound national economy. I favour, as a practical policy, the putting of first things first."

And among those first things in that same Address he puts the provision of "adequate but sound currency." I think that the whole context shows that the stress is not only on the soundness but on the adequacy of the currency. I think that we can fairly assume that a very definite and bold attempt will be made by American action, for the American people and for the American market, to restore a more satisfactory price level than that which exists to-day. That is bound to have a most direct repercussion upon our situation. It may be that President Roosevelt's policy will fail and that we may have to face an even more disastrous situation in the United States than that which has prevailed there during the last few months. If the policy fails, and the dollar falls it will be a matter of vital importance to us to take measures to prevent sterling from being pushed up to a position to prejudice our trade. On the other hand —and I think that it is the more likely result—President Roosevelt may succeed in restoring confidence and setting the wheels of trade and industry in motion again in the vast American market. If so, then not only the hoarded gold, but all the currency the American Government and the banks have been pumping into the United States in the last 12 months will begin to come out. You will almost certainly then have a situation of rising prices and, to some extent, of inflation. That again will have its reaction upon the relationship of the pound and the dollar and will make it both more necessary and at the same time easier for us to pursue a policy of raising sterling prices. By that I mean not only in the exchange. Indeed, I doubt whether the Exchange Equalisation Fund, however much enlarged, will be capable of meeting the strain of such a situation. I mean rather by the internal measures which we can take.

If I am not detaining the House too long, I wish to say something about the lines which I would suggest that our action might follow. There is one line to which the Chancellor of the Exchequer has more than once alluded in his speeches and to which he attaches a good deal of importance, and that is the line of the restriction of production. I am prepared to admit that a restriction of imports, aiming, like a tariff, at the encouragement of domestic production at a sheltered price level, may be, and should be, a very useful concomitant and support of any policy aimed at raising the sterling price level. It is not for me on this occasion to go into the respective advantages of the tariff method or of restriction, but I readily admit that that may be a useful element in controlling the situation. But as a general policy for affecting world prices, I confess that I should look with the gravest misgiving upon the idea that a policy, not of raising prices by increasing the volume of money in circulation, but of restricting production could really achieve this end.

The whole supposition upon which such a policy could be based is that our disaster has been due to over-production. But there is no evidence of general over-production. There may be in some commodities, but, broadly speaking, the total increase of output has not been very much above the steady average increase of 5 or 6 per cent. per year which has characterised the progress of the world for a long time past. Stocks have accumulated. Yes, but much more from under consumption than from over production. Indeed, I should be inclined on the whole to agree with the great economist Professor Marshall when he said that "the chief cause of the survival of the monstrous fallacy that there can be too much produced of everything is the want of a proper standard of purchasing power." The world is still far too full of those who have not enough to eat and not enough to wear and who would be only too glad to consume if the opportunities of production and of earning were given to them.

Let me turn to actual monetary policy. I entirely agree that the first and essential step there is the one which the

[Mr. Amery.]

Chancellor of the Exchequer has taken with such success—cheap money. I would only add in that field the suggestion that the time has now come when he ought to take the further step of making money not only cheap but free. By removing the restrictions which still stand in the way of the free investment of sterling he would help materially, I believe, by expanding sterling circulation, to increase sterling prices. If we are to be put in a position where the Exchange Equalisation Fund has continually to buy dollars to prevent the pound from being too high, why not let our own public individually buy dollars and dollar securities and collaborate in the effort to keep sterling at a reasonable figure? More than that, why should we not make use of the present opportunity of the negotiations which we are carrying on with the Scandinavian countries and with the Argentine to put our trade with them both on a stable currency level, and in a position where they can afford to buy from us, by advancing substantial sterling loans to those countries and using those loans as an instrument by which their currency can be definitely pegged to ours, as indeed we pegged our currency to the American currency during the War, and as the currency of a great part of the British Empire and of some countries outside the British Empire is pegged to ours to-day? Again, why could we not help Canada to liberate herself from her dollar obligations as far as possible and come more closely on to a sterling basis? So much for monetary policy. But monetary policy alone cannot help. The provision of cheap money, by itself is not everything. It is no good having your petrol tank full if your feed pipe is clogged and your carburettor is not working, and if you do not turn the crank-handle.

My hon. Friend has appealed to the Government to give a stimulus to enterprise. I should like to second the appeal. I am not asking the Chancellor of the Exchequer to splash money about on public works except upon those which are actually and definitely essential and reproductive. But the bringing about of private expenditure by a small differential expenditure on the part of the Government or by Government credit might just enable those things to become profitable or worth risking which individual business men are afraid of risking to-day. I am pleading for a policy of trade facilities, not only in the technical sense, but in the widest sense of the word; a policy of bold encouragement for every promising new industry with a chance of being justified if the general progress of the country goes on.

I should like to make an appeal not only for one but for two Cunarders. I should like to suggest that a Government guarantee would hasten the electrification of the railways, and that some form of Government help might bring about the development, on a business scale, of new means of utilising coal for the production of oil and motor spirit. Again, I should like to support the suggestion of the Mover of the Motion that the Government should give their serious consideration to the possibility of granting carefully selected export subsidies. British wheat, in its day the finest agricultural production in the world, was originally built up by an export bounty on wheat. Even more striking is the history of the cotton industry. In 1780 we exported £350,000 worth of cotton piece goods. In the following year or the year after we imposed an export bounty of ½d. per pound on cotton piece goods and the volume of our exports doubled themselves from year to year, until in 1812 it represented £16,500,000 worth; the direct result of giving encouragement to people to launch out boldly on a large scale.

There is one industry in that connection which I suggest deserves special consideration. In the world of to-day the motor industry is going to play the part that the railway industry in many ways played 70 or 80 years ago. Britain's prosperity in the Victorian era was largely due to the fact that we were the world's railway providers. I believe that, if we only have the courage, we have an opportunity of being the world's greatest suppliers of motor vehicles. At present we are hampered in every export market by the horse-power tax, which forbids our making the kind of car or vehicle that is of any use in the world outside. Why should we not recast our horse-power taxation? Why should we not, seeing that we have to impose heavier duties on heavy lorry traffic in the interests of fairness to the railway companies, compensate that traffic by some encouragement in the export trade, by a subsidy if you like, to enable them to win back outside what they may be losing at home? I would remind the Chancellor of the Exchequer that very valuable work has been done in the last few years by the Overseas Mechanical Transport Committee, a body for whose setting up I was responsible in 1927. They have worked out a form of transport for heavy goods, for 15 tons at a time, which can make use even of the most primitive earth road. Such an encouragement would involve perhaps only a few tens of thousands of pounds, certainly not more than £100,000, but it would make an immense difference to the export trade of this country.

I would add, lastly, a word for agriculture. There, we have a further field for encouraging production, encouraging the demand for money and developing circulation. There is much that still remains to be done. I should like to endorse, without repeating the argument, the plea so admirably made last Wednesday by my hon. Friend the Member for Central Sheffield (Mr. Boulton) for lower taxation, for a bold policy of looking ahead for a period of years, frankly reducing taxation because that reduction is needed, without any particular regard to the luxury of having a Sinking Fund or to the immediate balancing of the Budget. The whole difficulty is that the business world lacks confidence. They look at each other and hesitate. If the Government could show in their measures that they have complete confidence in the future of this country, confidence in the early recovery of this country, the business world would be encouraged and would follow suit, but if they pursue a policy of sitting tight, of bringing in all their money, of being afraid to invest, afraid to speculate, then we cannot expect the business men of the nation to do other than follow suit.

I apologise for having detained the House, but I hope that the Chancellor of the Exchequer in his reply will give us some indication of a definite forward sterling policy all along the line, and that he will not suggest, as he was rather inclined to do on the 16th February, that our policy must wait upon the World Conference, or that we have been caught up in an entire breakdown of the system of production and distribution in the world which it will take years and years to set right. I believe that the present world situation, as the Macmillan Committee pointed out, is quite specifically and definitely due to an attempt to work a single international monetary standard when the conditions are not suitable. If we can get away from that and boldly go forward, shaping our own monetary policy in our own interests and those of the Empire, and of such other countries who may wish to join us, we shall speedily be able to restore our own prosperity and contribute to the prosperity of the world.

8.51 p.m.

Mr. LEONARD: On occasion I have noticed a tendency on the part of experts outside this House that I do not always see in the experts inside the House. I think with some of them that everybody cannot be in the parade but that someone must be standing on the pavement, especially those who do not stand on the pavement very often. Had the Amendment to which my name is attached been before the House I would have drawn particular attention to the fear that exists amongst those I represent that the upward tendency in wholesale prices, however it may be effected, would not safeguard the common people of this country. The Resolution welcomes the declared intention of the Government. I may not have been paying sufficient attention, but I have not seen any definite declaration on this matter by the Government. I want something more tangible than mere declarations of intention, because the intentions expressed on previous occasions have not produced anything to verify the intention. What about the Government's position in regard to the gold standard? They came in to save the gold standard but their departure from it was applauded.

As regards public economy, we were told that it had to be rapidly applied in order to save the national credit. In my opinion our national credit has gone down considerably because this Government has made an attack upon education and the social services. In regard to public expenditure, I should have thought that the common sense idea during a period of depression, and in view of the importance of keeping wages in circulation, was that the Government should not indulge in a policy of preventing trade and restricting commerce.

[Mr. Leonard.]

The great idea of civilised nations now seems to be to export more and import less. Such a policy cannot work now or at any time. The result, as far as we can tell, from the figures of imports and exports shows that since 1929 world imports have fallen by 41 per cent. and exports by 43 per cent. Restriction has been the order of the day. Every nation seems to be endeavouring to make a profit out of their neighbour, instead of trying to work together. I thought that the principle of the interdependence of the nations of the world was accepted by everyone, but I regret to see that it is not the case if we are to accept the Motion now before the House.

If we are to follow the idea of economic nationalism the difficulties which have attended nations in the past will be manifold in the future. Nor can there be any confidence among the nations so long as they are all intent on seeing how much they can get from each other and how little they can give. When I saw this Motion I wondered to what extent the hon. Member for Stockport (Mr. Hammersley) was a supporter of the Government, because in a speech which the Chancellor of the Exchequer delivered at the opening of the British Industries Fair he said:

> "How are we going to restore that confidence which alone will enable international trade to resume its former channels?"

The Chancellor of the Exchequer, I believe, is as desirous as anyone to reach that desirable position. He went on to say:

> "To my mind it is absolutely impossible to suppose that a single country can do that."

If that is the Chancellor of the Exchequer's opinion then it is in direct conflict with the Motion and with the statements which have been made this evening in support of it. In the same speech he said:

> "I have no objection to tariffs myself so long as they are reasonable ones, but excessive and prohibitive tariffs I complain of; and, in addition, to them we have what amounts to prohibitions or partial prohibitions in the way of quotas."

The difficulty in regard to tariffs is that once you put on a small duty they ask for more. This has been demonstrated even in the short time the present Government have been in office. The right hon. Member for Sparkbrook has referred to monetary policy and to the World Economic Conference. May I quote from the Agenda of the World Economic Conference:

> "We are therefore unanimous in affirming the necessity that action for the removal of the restrictions on international trade (prohibitions, quotas, exchange restrictions, etc.), should be taken as soon as possible and continued on progressively wider lines as the other causes of the present economic disorganisation are mitigated or removed.
>
> The fact must not be overlooked that the abolition of restrictions will, in its turn, exercise a very considerable influence on the situation and will effectively help to remove the other difficulties. If they can increase their exports, many countries will be enabled to purchase larger quantities of foreign products. The opening up of larger markets, apart from whatever action may be required in the financial sphere, will greatly ease the difficulties encountered by the debtor countries as regards their balance of payments.
>
> The tariff policy which has been followed by many countries in the past has been greatly aggravated in recent years. This tendency has contributed largely to the disorganisation of world conditions. In respect of tariff policy and treaty policy, as in the case of important restrictions, the conference must seek to modify existing practices and to secure the adoption of more liberal methods.
>
> Positive action in this direction is assured of important support. Countries compelled to dispose of a large proportion of their products, whether agricultural or industrial, on the world's markets are most deeply interested in checking the increase of tariff barriers and in securing their reduction. An improvement in the world economic situation would be facilitated if the debtor countries were enabled to pay their debts by the export of goods and services, and if the creditor countries framed their economic policy in such a way as to maintain the capacity of debtor countries to pay by these means."

The hon. Member for Stockton-on-Tees (Mr. Macmillan) I know places great reliance on an increase in wholesale prices to bring about the result desired, but I notice that some qualifications were made by the Mover of the Motion. The hon. Member for Stockton-on-Tees recently said in a pamphlet:

> "I do not doubt that a rise in prices taken by itself would have very great beneficial results. What I do assert is that in the absence of improvement in the economic system as a whole, those benefits would neither be conclusive nor permanent."

Later on he writes:

> "Obviously, if industrialists knew for a certainty that not only would prices rise

but that they would be able to sell their goods at the higher level there would be no difficulty. So far as the proposal has yet been explained by its advocates there is no good reason to be certain on either of these points."

After further consideration of the matter he says:

> "The Board of Trade index figure shows a fall since 1928 from 140 to 104. We require therefore an increase of about 30 per cent. The full effects of this rise ought not to be reflected in retail prices as they have only fallen by about 10 per cent. in the same period. There would, however, be some effect unless it can be offset by improvements in production and in marketing."

We want to know just how much it is going to affect the people in whom we believe. I agree with one very terse sentence here. The hon. Member advances the proposition that prosperity is conditioned on equilibrium in production. He says:

> "If the forces of production are properly distributed in the production of consumption goods in the right quantities, and if the rate of saving is equalled by the rate of capital investment, then the total products will exchange against each other and prices and employment will be stable."

That requires a conscious and concentrated effort, and an effort of a conscious character among the industrialists of this country is not in evidence to-day. Were it so, we might place some reliance on the possibility of wages in the future. But I regret to say that I see no departure from the tendency displayed in figures in the Ministry of Labour Gazette. It says there that the net reduction in wages in 1931 was no less than £400,000 a week; in 1932 it was £248,000 a week. If that is going to continue, and the possibility is that it will, it is going to be a hardship on the common people. That we are not prepared to countenance. I wanted to give some details with regard to the tendencies in production, but time will not permit me to say much.

I have here a statement from the Board of Trade Journal of 1928, which shows a big change in the structure of labour engaged in production. It was at one time held that the producers, the men who did the dirty drab work of society, were the people who carried the whole burden, and it was a heavy burden. But I find that that has changed, because in a review of 68 industries the Board of Trade Journal states that as between 1907 and 1924 the mental workers had increased from 9 per cent. to 14 per cent. This is a structure that has been placed on the back of the increased productivity that machinery gives to the worker. But I cannot realise how it is that Members in this House and others outside seem to think that the only thing a machine can do is to produce goods. A machine can produce labour as well as goods, and we are going to do all we can to prevent that machinery being used in the manner it has been used up to now.

There is also the question of mass production. Let me say something as to the desire to depart from the economic nationalism as displayed in this country, to a more general but not sufficiently general policy to take in other countries. There is an idea that we can make a Dominion entity. We are therefore being changed over to the idea of making the Dominion self-supporting, a unit of its own. But that will still allow the same trouble to create itself. In the Federation of British Industries publication entitled, "Industry in the Empire," I notice some details which I accept as correct. One thing about an organisation like this is that in its publication it cannot indulge in propaganda. The men for whom it caters must know the facts. I notice that there is given a synopsis of the position with regard to the Colonies and their products, under the heading of "Agriculture." In Australia 65 per cent. of the production is agricultural production and 96 per cent. of their exports are agricultural. In Canada the figures are 45 and 39 per cent.; in New Zealand 70 and 98 per cent.; in South Africa 57 and 96 per cent.; and in the Irish Free State 73 and 86 per cent. The great idea is that there shall be an understanding between the various outlying sections of the Empire, and that they will be able to continue to indulge in the very desirable activity of feeding us and other parts of the world, and that in return for that there shall be a recognition that we shall be the people to supply them with those things that are industrial products. But they go on further in that part of the publication dealing with Empire economic cooperation and complementary industrial production, to express a desire for a conference with the captains of industry in our Dominions. They say:

> "The purpose of a conference between the manufacturers in a particular industry in Great Britain and in a given Dominion

[Mr. Leonard.]
would be to explore the feasibility of an arrangement whereby the production of certain goods should be recognised as being the province of the Dominion manufacturer, whereas others would be regarded as better left to the United Kingdom manufacturer."

Mr. DEPUTY-SPEAKER (Captain Bourne): I find some difficulty in reconciling the hon. Member's arguments with the Motion, the subject of which is prices.

Mr. LEONARD: I respectfully suggest that the remarks I am endeavouring to make are intended to be strictly related to the question of preferences and tariffs.

Mr. DEPUTY-SPEAKER: The question of preferences and tariffs is in order only in so far as it deals with prices. It is not in order as a subject by itself.

Mr. LEONARD: I will endeavour to come to that point. The things that are contained in the proposals to which I have just referred would very quickly cancel themselves out, because there is a great desire for adequate price levels on the part of the producers of commodities in the Colonies as well as in this country. Tendencies that have been displayed in the industries of the Dominions, which are also desirous of having a proper wholesale price level in the Empire and the world, would quickly cancel themselves out, because the great desire of every country is to be a successful industrial nation. They are all striving might and main to measure their advancement by the erection of factory chimneys. Therefore I am not prepared to accept the view that even confinement in an Empire Dominion is going to give to the common people of this or Dominion countries the advantages that a conscious endeavour to meet their everyday requirements would have. That conscious endeavour is not present.

Self-containment may be a desirable thing, but it has not worked in America. America has been self-contained to a great extent. It has had all the gold that any country could require. To-day the experts have not made up their mind whether America is on or off the Gold Standard. I am of opinion that they are under the Gold Standard, and very far under it. With regard to the monetary machine, my only comment is that at the present time it is not directing commodities, as it ought to, towards the people who require them. An hon. Gentleman opposite on one occasion described gold as the rails upon which commodities run. Those rails are not under the control of the people who produce the commodities or the people who require the commodities and, as regards financial modifications, anyone will please me who gives to those engaged in production, a greater measure of control so far as money is concerned than they have at present. I suggest that the measures proposed by the Government, calculated to increase wholesale prices, if they do increase wholesale prices will not bring to the common people what is anticipated by the Mover of this Motion.

9.17 p.m.

Mr. ENTWISTLE: As the speeches in this discussion have been rather long, I shall endeavour to be brief in my remarks. I agree entirely with the subject matter of the Motion. I am a wholehearted reflationist. It is almost universally admitted now that we must have a rise in the wholesale price level. It is clear that if you try to distribute an increased quantity of goods at too low a level of prices, the rigidity which is set up under the modern system, your nominal wages and your fixed charges will make that an entirely impracticable method of distributing your production. We are therefore all agreed that we must have this increase in prices and the Chancellor of the Exchequer has frequently asserted that to be the objective of the Government. The trouble is how it is to be achieved. It is true to-day there is available a quantity of money. The note issue is not all in circulation by any means. We have an increase in the note issue due to the recent purchases of gold by the Bank of England. It is automatically increased by all those purchases. Yet we find that it is extraordinarily difficult to get that money into circulation so as to exercise an actual effect on the price level. Everyone admits now that there is only one way in which to get that money into circulation, other than by purely psychological causes. Those causes have a great influence and if some event were to occur which would send a wave of confidence throughout the country, that undoubtedly would be the most potent of all factors for getting that money into circulation. But, in the meantime there can be no doubt that there are advantages in a Government stimulus, both in its immediate effect in getting more money into circulation, and also in its encouragement of that psychological wave of spending and confidence which is so essential.

I do not want to go into the details of the various suggestions which have been made. I certainly think that we ought not to hesitate at borrowing, in order to stimulate enterprise and create additional purchasing power in the country. With regard to the debatable point as to whether we can raise sterling prices without an increase in world gold prices, or, rather, whether an increase in sterling prices would have any influence on the gold price level, there is one fact brought out by the Chancellor of the Exchequer in a recent speech which is rather significant. It is that the general price level in this country, if it were in exact relation to the present rate of exchange, should be about 42 per cent. higher than the gold price level, because that is the percentage depreciation of our exchange. In fact, the general price level is not in this country 42 per cent. higher than the gold price level. That fact has been used I think quite legitimately to answer the objection, say, of Americans, that it is the depreciation in our exchange which has forced down the level of gold prices. That view would obviously be inconsistent with the fact that, notwithstanding the depreciation, our prices are not as high as they should be.

It cannot be that depreciation has caused the forcing down of the gold price level. The only explanation I can see is that we are the great market of the world, we are the largest producers of world commodities or rather of those commodities that enter into the world market for the quotation of gold prices; that the purchasing power of this country has been decreased through the necessary measures of economy which had to be instituted when the National Government was formed and that sterling prices are not rising because of this lack of purchasing power in the country. If we could get that to rise by the various methods suggested, I think there is no doubt it would influence world gold prices. One effect might be merely that our exchange would further depreciate with no consequent increase in the gold price level, but it seems clear that the main reason why the gold price level has been continuously falling is the lack of purchasing power in this country which is the great market of the world.

Whether that be so or not—I agree that we are on rather debatable ground there—what I rose chiefly to say is that although I am in favour of reflation or inflation, as an internal policy for this country, for which I think the time is now ripe, I think it particularly unfortunate that a good many advocates of reflation seem to have a violent anti-gold complex. The right hon. Gentleman the Member for Sparkbrook (Mr. Amery) seems almost to see red when gold is mentioned and we have many enthusiasts who have read a great deal on this difficult question of the theory of money and who attribute all our troubles to the Gold Standard and are determined that, whatever else happens, on no account must we ever go back to gold. I cannot help thinking that these prejudices are somewhat ill-informed and it is certainly very unfortunate if they are to dictate the future policy of the Government.

We know why the Gold Standard broke down and there is not the slightest doubt that the conditions which broke it down would have broken down any other international monetary standard. It is not sufficient merely to inveigh against the Gold Standard. What is the alternative to be put in its place? The main opponents of the Gold Standard seem to assume that being on gold is the same thing as being on gold at pre-War parity. There were a great many critics of the policy of the Government, and of the Bank of England in 1925, when we went on the Gold Standard at pre-War parity. I was one of those critics, for I think that was a great mistake. But that is no reason why one should object to gold as being an impossible standard under any conditions, and get violently hostile to it as a commodity or as a basis of money. We are bound to get an international monetary standard before there can be any restoration of world prosperity. There are people who say that on no account must we touch gold, and that we now have everything in our

[Mr. Entwistle.]

favour because we are off gold. They forget we are not entirely detached from gold. Within the last few weeks £56,000,000 worth of sterling in gold has been purchased by the Bank of England. The whole measure of sterling to-day can only be understood in terms of gold. It is quoted in terms of gold standard currency. I would like from the people who have these opinions a clear exposition of an alternative international monetary standard.

Mr. AMERY: I certainly do not wish to attack gold in itself. My criticism was of any single, rigid, international monetary standard under present world conditions, because economic nationalism would be bound to break it down whatever parity it was on, or whatever it was. I have no objection to gold as an exchange element in our monetary system. I trust we may always find a use for it perhaps eventually at some rate varying with the commodity price of gold.

Mr. ENTWISTLE: I hope the right hon. Gentleman does not think that these are, necessarily, opinions I attribute to him. I think the most important point to-day is that we have got to have an international monetary standard restored unless we have a system to make this country entirely self-contained in itself, or with the assistance of the Empire. If we have a perfectly closed system we may have any monetary system we like, if we are not going to trade with anyone outside. We are a long way from achieving that. The United States of America are a much more self-contained area, and have potentialities of being more self-contained than any other country, yet the United States are suffering from world depression. A country could go back to the Gold Standard and indulge in inflation at the same time. Nobody has suggested that we shall go back to the Gold Standard on pre-War parity. I take it that we could get an international agreement for the restoration of the Gold Standard, with the various countries going on to the Gold Standard at such a ratio as they pleased. It may be that other countries will be influenced by the particular ratio on which this country goes back to the Gold Standard, but it is vitally essential that we should have an international monetary standard restored.

The only alternative international standard mentioned is a commodity one. I have not yet seen it formulated how this would work and produce one essential to a monetary standard, which is stability between the various exchanges. The objective of managed currency it is easy to understand. That objective should be to maintain an average price level. How a commodity standard would secure stability between the different foreign exchanges has never been explained, or I have never seen it although I have tried to read everything on this subject. It has never been formulated by any economist. It is mentioned as a possible alternative, as being theoretically possible, but no scheme has ever yet been put forward. Even if it were we would require to have an international agreement before it was adopted. There is not the slightest chance of getting an international monetary system restored which is not based on gold.

I do not think the Government can be criticised for saying that they will not go back to gold. I do slightly criticise the Government for the conditions they have made before they say they will entertain the possibility of going back to the Gold Standard. One of these conditions is a considerable lowering of tariffs. I do not see why that should be made a condition at all. It is true that America cannot maintain an export surplus without being prepared to lend and allow other countries to keep on the Gold Standard. We need not wait until other countries agree to a definite reduction of tariffs. We are now a tariff country ourselves. We have a weapon which would have enabled us to resist some of the causes at the time we were driven off gold. I still assert that we can get inflation on gold. We can inflate gold prices while having an international monetary standard. We cannot do it by deflation. We can go back at the price we choose. America can deflate her dollar, and France the franc. The other method would be to carry out the recommendations of the Macmillan Report. It is the alteration of the ratio to gold reserves.

The various monetary credits now rest on gold. In some countries they are rigidly limited by legislative enactment. These should be modified, and we should use available reserves for building a much larger structure of credit. I do not think there will be the least difficulty in getting international agreement. World depression could largely be brought to an end by the adoption of three essential things, on none of which I think it is impossible to get agreement. The first is the restoration of an international monetary standard which will have to be based on gold at whatever parities different countries enact. The second is the restoration of foreign lending. You would get rid of the maldistribution of gold. Until America has got over the fear of foreign lending, because of unfortunate investments, the loans might be made through the Bank of International Settlements. That in itself would facilitate what we all desire. A restoration of the international monetary standard, loans, and the adoption of the Macmillan Report recommendations—those three things, if they were dealt with at the World Economic Conference, would go a very long way towards restoring world trade.

Before I finish—and I have already been too long—I want to say a word or two about the fallacy of the so-called sterling area and of the notion that we have now got a Sterling Standard and can be quite independent of the Gold Standard. A Sterling Standard, if it were adopted as an international standard, means that the rest of the world must agree to accept our monetary policy, whatever it is. If we inflate, they will have to inflate with us; if we deflate, the rest of the world will have to deflate with us. It might be that the rest of the world would be prepared to follow the present Chancellor of the Exchequer—they would certainly be very wise if they did—but it does not follow that they would be prepared to follow the Leader of the Opposition when he comes into office. The rest of the world certainly became very fearful of the future of this country during the tenure of office of the party which he now has the honour of leading. It is, therefore, ridiculous to talk of a Sterling Standard.

We talk of the sterling area as if we could be independent now of countries on the Gold Standard. We talk as if, because we are trading with countries within the sterling area, it does not matter what the price of sterling is in comparison with the dollar, and we are quite happy if we only negotiate and trade with those countries which are now linked to sterling. I wonder whether hon. Members who talk in that way have really any idea which countries in fact have not imposed any exchange restrictions or quotas on this country. They might be surprised to learn that almost all the countries in the so-called sterling area are now imposing the most severe restrictions on our trading with them. The only countries which have no trade restrictions are India, New Zealand, Mexico, South Africa and Australia, of the non-Gold Standard countries, and none of them of very great importance from a trading point of view. [HON. MEMBERS: "India?"] I meant, in magnitude of trade. India is very important to us, of course. I only meant relatively small in size. The Gold Standard countries which have not got any restrictions against us are the United States, Italy and Canada.

I only say that, to emphasise once more the importance of getting an international monetary standard restored. I hope the Government will not make the conditions for that restoration too rigid, and I am quite sure that, if we adopt a reasonable policy at the World Economic Conference, that standard can be restored. It is consistent with inflation in this country, it is consistent with inflation of gold prices, and until it is done and we are back on a standard, I cannot see any end to the world depression.

9.39 p.m.

Mr. D. MASON: With a great deal of what the last speaker has said, I am in agreement. I agree with the general principle of adherence to gold, but I cannot follow him when he refers to reflation. We hear a great deal about reflation, in the Press and elsewhere, but I have never yet been able to make out exactly what reflation means. As a general principle, I rejoice to find him so whole-hearted in his support of the necessity for having a basis for our currency, namely, gold. I was interested in his inability to find out what was the basis of my right hon. Friend behind me, although he eventually came down on the side of gold and did not adhere to that of which he was formerly an enthusiastic supporter, namely, an index number as a basis for currency.

[Mr. Mason.]

I should like to return to the actual Motion itself. The hon. Member who moved it and the right hon. Gentleman who seconded it based their main argument on what they called an expansive monetary policy. In other words, they adhere to inflation in currency. They believe that if you largely increase your quantity of money, that will lead to a rise in the price of commodities. It is very interesting to find that after the Napoleonic Wars we had a Debate on this subject in this House, and I would suggest to any hon. Members who are interested that nothing would give them greater satisfaction or reward than to take the trouble to read either the Debates which then took place or the works of many of the great authorities of that day. It is a curious fact that we find an almost exact analogy between what took place after the end of the Napoleonic Wars and what is taking place now. There was an over-production of goods then. The belief was that the Continent would absorb a great deal of our surplus after peace was declared, and there was a terrible reaction when they found that, as a result of the great Napoleonic Wars, the purchasing power of the people declined, just as we were disappointed in the same way after the end of the Great War.

Then there were the advocates of inflation, and there were resolutions passed. Hon. Members then, like the Mover of the Motion to-night, in almost similar terms moved resolutions to the effect that the only way to raise prices was by inflation. Tooke is perhaps recognised as one of the greatest authorities on prices, and he wrote at that time. I have read what he said on this subject, and I think it exactly meets the argument that has been submitted by the Mover of the Motion. This is what he says in Volume I, page 149, Section X:—

> "How little coincidence there was in the preceding interval between the increase or decrease in the amount of Bank of England notes and that of private paper, and have moreover remarked that the most striking instances of a great rise of general prices occurred without any increase of Bank notes, while on the other hand the most memorable instances of a sudden fall took place contemporaneously with large additions to the Bank circulation."

Quite the contrary.

Mr. HAMMERSLEY: The hon. Member has misinterpreted what I said. I said the quantity of money in actual use, and there is a great deal of difference between that and the amount of money which may be available or in circulation. It is important to make that distinction.

Mr. MASON: That is a very fair distinction, and I do not deny it. It shows that unless you have confidence the mere fact of an expansive monetary policy by increasing the circulation, which is generally described as inflation, will have no effect. It has been tried in America and was well described by Mr. Beckett, a great banker, the other day, and I submit that the whole history and experience of what took place after the Napoleonic Wars indicate that the idea that you will raise prices by monetary manipulation is not based upon experience and is likely to fail. There are other means which the Mover and Seconder referred to as likely to raise prices. There was the question of public works, and I agree with public works which are essential and productive, for they tend to increase demand. As the hon. Member in whose name the Opposition Amendment stands said, unless we get an increased demand or an increased purchasing power on the part of the working classes, there is not much gained by a rise in prices. We want the wherewithal to buy the commodities. We desire general expenditure of capital, and, while public works are good so far as they go, the difficulty is to find schemes. The Chancellor of the Exchequer and many Members of the Government have said that, if any Member can bring forward a scheme, the Government will be prepared to consider it, but the difficulty is in finding schemes that are suitable and of a sufficiently vast character to increase prices.

In the middle of the last century the expenditure of £150,000,000 on railways led to the greatest amount of prosperity in this country. Agriculture flourished because there was such a demand for the products of the soil. This vast expenditure of capital, such as we desire to see to-day, led to prosperity, and, if we can stimulate that again, the same results will follow. We cannot get that in this island again, however. Where can we get it? I will make some suggestions on the lines of the Amendment which I have placed on the Paper, that is, a restoration of the Gold Standard whereby we can get a legitimate rise in prices brought about by a legitimate demand. I would ask the attention of the House to what I believe would improve our credit, would tend to bring about a legitimate rise in wholesale prices, and would lead to the scaling down of the debt due to America by this country; that is, the restoration of the Gold Standard. Many Members believe that the Gold Standard will eventually be restored in this country. The Chancellor of the Exchequer must feel very much complimented in that every section of opinion tries to claim him as a supporter of particular theories. I also have a quotation from him in which he says:

> "There are some who seem to think that it is the policy of the Government to go back at some early date to the Gold Standard. It is difficult to get an idea into some peoples heads."

I do not know to which section that refers—

> "but I have repeatedly stated and I say again now that we cannot go back to the Gold Standard until we can be satisfied that the Gold Standard will work."

That, I think, is a very fair statement and, if I can, I want to show the right hon. Gentleman that it can be worked and that it is his job to work it. There were various contributing factors why we went off the Gold Standard in 1931. The Government of the party opposite were perhaps a contributing factor. They were undoubtedly guilty of indulging in an orgy of profligate finance. They were running into debt at the rate of £1,000,000 a week, and they presented us with a deficit of £120,000,000. That state of finance was not calculated to enable any country to maintain the Gold Standard, but I am bound to say that there was a greater cause which has been in existence for many years, and which is the main reason why this country had great difficulty in maintaining itself on the Gold Standard. That was the excessive issue of notes in circulation. That was fixed tentatively by the banks —that is, the fiduciary issue—at £260,000,000. When the amounts were fixed it was stated to be tentative, because no bank or statesman was capable of knowing what ought to be the exact note issue. Our currency was depreciated, and that can be proved at any time. Anyone can test it by taking the Mint price for gold. The price of standard gold was £3 17s. 10½d. and of fine gold £4 4s. 11d. The way to prove that inflation exists is by comparing the Mint price with the market price. The difference between the two is the measure of the inflation.

For many years we had an unfavourable exchange. In former days, when our issue of notes was so delicately in poise with the trade of the country, an export of £1,000,000 or £2,000,000 affected the exchange, but in 1929 there was an export of £80,000,000 in gold bullion and the exchange remained unfavourable. That indicated that some other cause was at work. We have heard a great deal about frozen credits, war debts and other contributing factors, and they have their influence upon exchange, but in the main the excessive note issue is the main cause for the depreciated pound. It would have been thought that the Treasury and the Bank of England, realising that this was the main cause of the depreciation, would have tried to correct it. What did they do, however? In August, 1931, the Bank, instead of applying to the Treasury for leave to reduce the note issue, applied for an increase, and the fiduciary note issue was raised to £275,000,000. Their request was acceded to by Mr. Snowden, now Lord Snowden, and their action, combined with a loss of confidence abroad, led to continued exports and withdrawals of gold bullion from this country. Those withdrawals were not due to any sinister design on the part of France or America to get gold for hoarding purposes. If the exchange fell to a certain figure any bullion dealer or banker could go to the Bank of England when we were on the Gold Standard and get gold and ship it abroad at a profit. Therefore, if, as I wish and many bankers in the City wish, we could see London again restored to its old position as the world monetary centre, surely the first step is gradually to contract the note issue, not to use the Exchange Equalisation Fund to keep down the pound, as the Treasury are doing. I want the pound to rise to par again. An hon. Member laughs. What is there to laugh at?

Captain WATERHOUSE: What little prosperity there is in trade and industry in this country at the moment is entirely due to the depreciation of the pound, and

[Captain Waterhouse.]

if an hon. Member rises to ask us to appreciate the pound when we still have 3,000,000 unemployed it really is a just cause for merriment.

Mr. MASON: I hope I shall be able to demonstrate to the hon. and gallant Gentleman that the policy I am advocating will have the very effect which he desires, and if I can do so I hope he will—I have no doubt he will—have the manliness and courage and good humour to admit it. We hear on all sides that this depreciated exchange is the very thing we want. Then if it is such a wonderful thing why not depreciate the pound to 5s.? Why not inflate all round, and bring down the pound as they brought the mark down in Germany, until it became an almost worthless coin, and as they brought the franc down in France, until it fell to one-fifth its former value? If the policy is sound why not send the pound down to 1s. or 2s.? It must be remembered that a depreciated exchange penalises imports, and we are importers as well as exporters. We have to buy our raw cotton and many other things from abroad, and is it not better, when we are buying cotton, that the pound should buy 4.86 dollars in America rather than 3.40 dollars?

Hon. Members may ask: How will a restoration of the pound to par, a restoration of national credit and a restoration of London as the great monetary centre, bring about a rise in prices? If London again becomes the great monetary centre, if a bill on London is as good as gold, then we shall have more money coming to London. As a French banker told me about three weeks ago, the French bankers who used to send money to London are not going to do so if there is any doubt about their being able to withdraw it except at a heavy loss. I saw references the other day to "Bad money." How can there be bad money? Every bank is anxious to get money—depositors' money. Are we not also anxious to get money? If we could draw millions from the Continent and the United States, if we could resume our place as the leaders in finance and as the great banking and monetary centre, then more loans would be floated here. Borrowers from all parts of the world would come to London. When an Argentine railway comes to borrow £1,000,000 that money does not go to the Argentine in the form of cash; it goes out as steel rails or locomotives or other railway equipment. If more foreign loans were floated here it would help to bring about a rise in prices, a legitimate rise in prices, one produced by an increased demand. Hon. Members opposite who claim to represent the working classes, although I hope that we also, in a modest way, also represent them, should realise how this policy will widen the area of employment by stimulating trade in every direction.

The House may be a little weary of this technical lecture, but I suggest that this policy which I have supported wholeheartedly and consistently all my life may incidentally lead to a scaling down by the United States of America of our debt to them, and surely that would be a great blessing. I heard an hon. Member say, in his enthusiasm for keeping off the Gold Standard and maintaining a depreciated exchange, that he would protest against what he called "the swopping of our going back to gold for a reduction in our debt to America." But if, as I have been able to demonstrate, that policy is a sound one for this country, if it incidentally leads to the United States scaling down the debt what a tremendous advantage that will be.

It might be asked, what effect will the position of affairs in America to-day have on the future of the pound and the dollar? There is some discussion as to whether America is off or on the Gold Standard. There is, of course, no question that America has gone off the Gold Standard. When you prohibit the export of gold and interfere with the convertibility of your note issue, you are off gold parity. It was well pointed out by the hon. Member for Bolton (Mr. Entwistle) that we still adhere to a belief in gold because we quote in regard to sterling exchanges in terms of a discount on gold. We cannot get away from it; behind our minds we still adhere to the principle upon which our finance has been based. I hope that I have said sufficient to appeal to the Chancellor of the Exchequer that he should move towards my section rather than towards the other section, and to convince him that to this country will in due time be restored what I believe has been one of the main sources of our greatness in the past.

10.7 p.m.

Mr. MACMILLAN: I hope that the House will not think it discourteous of me if I do not follow in detail the arguments put before us by the hon. Member for East Edinburgh (Mr. D. Mason). He is something of a monetary Mr. Dick. His King Charles's head is always depreciation. I must, however, make a passing reference to a speech which was delivered by the hon. Member for St. Rollox (Mr. Leonard) who was kind enough, in his anxiety that I might not be able to make my speech, to devote the greater part of his to the reading of some observations of mine from a pamphlet which I had written a few months ago. I was deeply touched to feel that he should carry the pamphlet about with him as a kind of Bible. There are one or two points which he mentioned upon which I shall try to touch later. This discussion has ranged away from the original terms of the Motion, and in the few minutes that I have, before the Chancellor of the Exchequer replies, I would like to say a few words about the main subject, which was the purpose and the object of this Motion.

It seems to be generally agreed, with a few exceptions, that it is desirable that the level of wholesale prices should rise. It is agreed by the Chancellor of the Exchequer, by the official policy of the Labour party as published in August last year, by economists such as Mr. Keynes and Professor Pigou, and by a very large part of the Press. Everyone seems to be agreed upon that. The trouble is that, in spite of this encouraging chorus of agreement, prices have stubbornly refused to rise. I would like to devote a few moments to the question of how this can happen. The level of prices can only rise for one of two reasons. Either when there is a reduction in the volume of commodities while the volume and the velocity of money remain constant, or when there is an increased volume and velocity of money while the volume of commodities remain constant. That is to say, either when there is a smaller amount of things and the same amount of money, or with the same amount of things and more money. An example of the first method might be said to be the coal and meat quotas that we have introduced, in which there is the reduction of the volume of commodities, the volume of money remaining constant, which therefore leads to a rise in the price in those selected commodities. The difficulty about this method is that it cannot be applied, except to a small range of commodities. It is properly a crisis method, to be applied to a few selected commodities. It is a difficult method, and it envisages equilibrium upon a lower basis of consumption. If it were applied over the whole scale of production, it would inevitably lead to a fall of purchasing power and to a final equilibrium upon a lower general level.

We have, somehow, to concentrate upon the second method of leaving the volume of commodities constant and increasing the volume and velocity of money. Then prices will rise. The method of increasing demand and purchasing-power cannot, in my opinion, be brought about by mere transference of demand. That seems to be the policy of those who put all their weight into the idea of reduction of taxation. Reduction of taxation is merely the transference of purchasing-power from one class to another. It may be a good thing to do and it has a great psychological importance. I am not arguing against it, but whatever your views of the other reasons why you should reduce taxation or increase economies, the transference of purchasing-power from one class to another is not an increase in the total volume of purchasing-power. Maybe a few prefer to reduce the wages of policemen and teachers, in order to reduce the Income Tax. How you look upon that depends as to whether you happen to be a teacher, a policeman or an Income Tax payer. Alternatively, the idea that you may benefit and do any good by taking money from the rich and merely giving it to the poor is equally fallacious, because it does not increase the total volume of purchasing-power.

What we have somehow to do is to increase the volume of demand. That leads us to what Government policy can do in that direction. How can it do it? It is clear from the Debates that we have had that banking policy alone cannot bridge the gap. Banking policy has done everything possible to cheapen money and to increase the amount of credit that is available. The figures which the Chancellor of the Exchequer gave in a Vote of Censure Debate, figures which have been freely used by economists, show

[Mr. Macmillan.]
that bankers' deposits—that is the deposits of the clearing-house banks with the Bank of England—have risen by £50,000,000 in two years. In ordinary banking practice, that should have allowed the joint stock banks to increase their advances to their customers by something between £500,000,000 and £750,000,000, but during the last year their advances have fallen by over £120,000,000. It is therefore clear that a mere policy of making money cheap and of increasing the capacity of the banks to lend to their customers cannot bridge the gap in bad times. The entrepreneur is so depressed, and so uncertain of what will be the future of the price level, that he is unwilling or unable to use money which is made available for him.

It seems to me, therefore, that when you get to that depth of depression, the only technical method of forcing into circulation the fresh bank money which has been created by the open-market operations of the Bank of England is for the Government itself to use the money and force it into circulation—for them, as it were, if I may use Stock Exchange language, to carry out a short bull move, because the whole country has got into a bear position.

One might almost argue that under the modern capitalist system the technique of a Government should always be to operate in exactly the contrary direction to that in which individuals are operating. In a period of boom, individuals are investing freely, and even over-investing to a speculative extent. During that time, the Government should be "bear." It should save, it should pull in its horns. On the other hand, a period of depression, when individuals are unwilling to invest, is the time for capital investment on the part of the Government. The trouble is that the Government, being composed of individuals, is subject to the same psychological forces as individuals. At a period when the rate for money was 7 or 8 per cent., and houses cost £1,400 to build, we built hundreds of thousands of them, and raised a great burden of debt around us for ever afterwards. Now, in a period of depression, when we can borrow money cheaply and build houses cheaply, we are a little reluctant to invest capital sums from Government sources.

I should say that in this situation, while economy on income account is sound, the view to which one is led is that expenditure on capital account is the right method for the Government to adopt for the purpose of giving the stimulus that is required in order to lead to revival. I would support that argument with the following observations. If it be admitted that this Government stimulus is required on capital account, what should be the direction of that expenditure? Here we must distinguish broadly between capital goods and consumption goods. It seems to me that, if the Government were to spend for the purpose of increasing the quantity of consumption goods, that would merely increase the supply of consumption goods more rapidly than the demand, and since, in a period of depression, a certain amount of profits and interest will be saved and not invested, but added to the liquid pool of uninvested money, it is essential that this Government expenditure should be used for the production of capital goods—houses, bridges, harbours, agricultural development and the like—rather than for the production of consumption goods. In that case, since the people who are taken off the dole and put into work—taken off the £1 a week of the Poor Law or the dole and given, say, £2 or £2 10s. a week in wages—will become consumers of consumption goods without adding to the total volume of such goods, the price level of those goods will tend to rise. If the Government will employ people in making capital goods, taking them off the dole and giving them purchasing power, they will be following the second and healthier method by which prices can be made to rise, inasmuch as the amount of purchasing power will increase without an increase in the amount of consumption goods, and therefore, the price of consumption goods must tend to rise.

Against this view it has generally been argued that we have tried this before, and it has failed. I would like briefly to point out that that is not the case. We have never tried this method under the same conditions. It is true that we had Government expenditure during the years of the late Government and the Government that preceded it, but let us consider what were the conditions at that time. In the first place, we had a system of free imports, and, therefore, this Government expenditure was only a contribution to the world price level, instead of being concentrated largely upon a rise of the internal price level. So soon as you have some control of imports, your new expenditure will be a contribution to the raising of internal prices.

In the second place, we were attached to stability of exchange—we were attached to parity of the pound at 4.87 with absolute stability of exchange—and, therefore, during that period, although the Government might be inflating with the right hand upon work schemes and the like, the Bank of England was forced to deflate with the left hand to exactly the same extent in order to keep the pound at par. That is to say, it is impossible to achieve two things at once. You cannot raise the level of internal prices and at the same time hold on to absolute stability of exchange.

At that time, 18 months ago, there was grave risk in our financial situation. There was the danger of a flight from the pound, but since that time this danger has gone. This House has indeed voted £150,000,000 for the purpose of keeping down the value of the pound. The danger of Government expenditure such as I suggest, if it was on too large a scale, would be that it might unduly depress sterling. But the danger is not now a flight from the pound. The Governor of the Bank of England is being forced to buy foreign currencies and gold in order to reduce, and not to increase, the price of sterling. The hon. Member for St. Rollox reminded me—I fully stand by what I said—that I never thought this inflationary method was any use as a permanent cure. Of course, I do not think so. Of course, the real objection that can be raised against any such methods is that, although you will cure a lot of temporary difficulties, you will restore equity as between debtor and creditor; you will give back some hope to the producer, you will relieve eventually the burden of debts and services—But the argument is that ultimately you will fail, unless you are careful, and fall into fresh disequilibrium and another period of falling prices. That is true and, therefore, it is essential that we should do what I understand to be the policy of the Government that is, combine an attempt to raise the price level now by some such methods as I have described, with a definite determination to use and direct that capital expenditure in order to make a better equilibrium, or balance of production, in this country and the countries associated with it.

Therefore, I suggest that the first line upon which we should direct this capital expenditure should be agricultural production. We have an immense possibility there of re-directing the balance of production and getting away from the dangerous situation we are now in of lack of balance between agricultural and industrial production, and increasing the development of rural housing and drainage, the improvement of land and saving good land which is now being threatened. In that way, we have an immense possibility of providing productive capital expenditure which can help to restore equilibrium between the various producing forces. We could in the same way, through trade facilities, direct money into the reorganisation of those businesses which are capable of expansion and improving the competitive power of those industries where there may necessarily have to be some contraction in view of other world forces. There, at least, their competitive power can be increased by reorganisation with help of capital guaranteed by the Government. Finally, in spite of the hon. Member opposite, who says that in this island there is nothing more to be done to develop the estate——

Mr. D. MASON: I did not say that.

Mr. MACMILLAN: The hon. Member said there was little more to be done—we have such splendid roads, and so on. Is anyone satisfied with the condition in which the people live? Is there not £200,000,000 which can be spent upon the clearing of slums and the building of houses to be let to the working-class people at rents that they can afford to pay? There are tremendous fields for expenditure in this direction, expenditure which will combine two objects, first to raise the price level, and secondly to re-adapt the country with a view to a new production balance which would prevent us falling into a fresh disequilibrium after the prices had been raised. I am not advocating an irresponsible inflation, a sort of idea that you can inflate and

[Mr. Macmillan.]

trust to luck what happens. I think that perhaps the Government are unduly modest. Perhaps they have not realised how successful has been the first 18 months of salvage. We have got hold of the ship. It is under control. The fires have been put out, and we can now go out to sea. The whole object of the sacrifices which we have had to make during those 18 months and of the policy we have developed is that we may be able to exploit it. Now is the time to exploit it. It is the happy fortune of the present Government that they are able to combine what can be supported by arguments and reason with what also is desirable on humane and moral grounds. It is the happy feature of this policy that it can be supported both from the heart and from the head. The Government have, it seems to me, by the first stage of their policy, made England safe for spending. It is now possible to build upon the foundations which, partly by good fortune, it is true, and partly by good management, have now been laid. I think that they may also have the good fortune which is not always given to an administration, that if they will go forward boldly now the results may come in the lifetime of this Parliament and they may be able to do what it is not always given to Governments to do, to reap where they have sown.

10.28 p.m.

The CHANCELLOR of the EXCHEQUER (Mr. Chamberlain): The Debate has called out so many interesting speeches from different points of view that I should have wished that it had been possible to devote the whole day instead of only half a day to this question. I think that, as there is only a short time left, it will perhaps be in accordance with the desire of the House that I should make a few observations upon what we have heard. There is before us a Motion and on the Paper there are two Amendments which have, however, not been called. Nevertheless, we have had speeches from those who had intended to move those two Amendments and from those speeches we have been able to judge what was in their minds. Perhaps, therefore, it may be convenient if I say a few words upon the Amendments before I proceed to deal with the Motion of my hon. Friend. As to the speech of my hon. Friend the Member for East Edinburgh (Mr. D. Mason), I wondered whether he had purposely left out the date of the restoration of the Gold Standard to which he intends to devote his remaining years. But with his usual frankness he has not shirked that question, and he has made it clear that, in his opinion, the time has come when we should at once return to the Gold Standard whatever anybody else does. I think that my hon. Friend has not only the reputation of never being convinced by anybody but also of never convincing anybody else. He is probably the only Member in this House, and I am not sure whether he is not the only man in the country, who holds that view. He not only desires us to go back to the Gold Standard, but he wishes us to use all our resources to raise the exchange value of the £. It was not astonishing that my hon. and gallant Friend the Member for South Leicester (Captain Waterhouse) took objection to that view and intimated that it would be a disastrous thing for industry if the exchange value of the £ were again to rise. The hon. Member says: "If it is so good to keep the value of the £ down, why not bring the value down to 2s.?" When my hon. Friend goes to a doctor and the doctor prescribes for him one tablespoonful of medicine three times a day, does he say that if one tablespoonful is good, why not take three? Or does he drink the whole bottle at once? Does it not occur to him that there may be a point between the two extremities where the value of the £ may be such as it is possible to maintain without injury to our industry, and perhaps with some benefit to it? I submit that to him as a new idea, and perhaps that would be the best idea for him to follow.

Mr. MASON: It has not benefited industry.

Mr. CHAMBERLAIN: My hon. Friend says that it has not benefited industry, but, if he will take the opinion of industrialists, and they ought to know, they will tell him that they have benefited very considerably, very definitely, from the fact that the £ has been depreciated in value. Some very interesting remarks were made by my hon. Friend the Member for Bolton (Mr. Entwistle) on the subject of the Gold Standard and also on the subject of the so-called sterling area. In that respect, I find myself very much in agreement with him. The observations that he made about the sterling area apply just as much to the Empire as they do to foreign countries. When my right hon. Friend the Member for Sparkbrook (Mr. Amery) said that we missed a great opportunity at Ottawa to devise and to establish an Imperial monetary system as well as an Imperial economic system, meaning the linking up of the currencies of the Dominions to sterling, I do not think he faced the immediate difficulty which must arise in such an event when the Dominions would have to grant to us the power of fixing the rate of sterling, which they would have to accept without having any control over the rate. What would suit us at a particular moment would not necessarily suit the Dominions. Therefore, I assure my right hon. Friend that the suggestion he made, attractive though it might seem on paper, when it comes to a matter of practice is not within the range of practical politics.

I will devote a few moments to the other Amendment, which begins with the proposition that:

> "This House is of opinion that any movement to raise wholesale prices cannot increase the effective demand by the working classes in this country."

If the hon. Member who supports that Amendment had used the words "will not" increase the effective demand by the working classes in this country, that would have been an expression of opinion which would have been at least arguable, but when he says that it "cannot" increase the effective demand, he is holding out a proposition which is demonstrably untenable.

Mr. LEONARD: I intended to have introduced the two words "of itself" into that Amendment, after the word "cannot."

Mr. CHAMBERLAIN: I am not sure that even then it is an arguable proposition; and for this reason. We have had from a number of hon. Members to-night illustrations of the effect of the fall in wholesale prices which has taken place. It has been catastrophic in character. Wholesale prices, since October, 1929, have diminished by about one-third, and in the case of raw materials the fall has been 50 per cent. or 60 per cent. That has practically destroyed the purchasing power of quite a number of countries. It has not only made it extremely difficult for debtors to meet their obligations and raised serious obstacles to the transfer of currency from one country to another, but it has made business unprofitable and thrown large numbers of people out of work. And the countries which produce primary products, foodstuffs and the like, have suffered the most, because a characteristic of the fall in prices is that it is accompanied by considerable dispersion; that is to say, that the fall has not been uniform, it has been much greater in primary products than the fall in manufactured articles, and the fall in wholesale prices has been much greater than the fall in retail prices.

What has been the effect on this country? The most direct effect is that countries have not been able to purchase the goods which this country produces and desires to sell to them. The result of a rise in prices to all the countries that produce these primary natural products would mean that their profits, their power of purchasing goods from other countries, would increase; there would be an increased demand for goods from this country which would increase employment and help wages to rise. The hon. Member for St. Rollox (Mr. Leonard) gave the net fall in wages in recent years in hundreds of thousands of pounds per week, very striking figures, although he would have been more illuminating if he had given us the percentage. But that has taken place during the period of a fall in prices. Has it occurred to the hon. Member that there may be some connection between the two? Has it not occurred to him that if you want to stop the fall in wages the way to do it is to enable business to be carried on at a profit. You cannot take more out of an industry than there is in it; and if the industry is producing and selling at a loss then, of course, it follows inevitably, sooner or later, that wages must come down.

Let me come to the Motion. It urges the Government, without waiting for an international consideration of gold prices, to give immediate effect to a definite and wholehearted policy of raising sterling prices. When I read the Motion I seemed to recollect that it was not the first time my hon. Friend had addressed himself to this subject. I seemed to recollect his

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having spoken upon it during the passage of the Finance Bill in May, 1932, and on looking up the OFFICIAL REPORT I found that that was so. I also found that my hon. Friend at that time asserted, as he has done to-day, that the great need is to raise wholesale prices; that it would never do to wait for an international conference but that this Government must take the measures which are in their power to raise sterling prices irrespective of gold prices. My hon. Friend at that time knew exactly how to do it. He told us. He said that we must provide abundant and cheap money and plentiful credit. "Will they raise prices?" he asked. "Yes, they will," he said. What has happened since? My hon. Friend has no doubt observed that the conditions for which he asked at that time have since been fulfilled but that prices have not gone up, and that is no doubt the explanation of his having come down to-day with a new proposal, different from that which he made previously.

Mr. HAMMERSLEY: If it was anticipated at that time that an increase in the volume of available credit would have the effect of a rise in prices it was on the assumption that trade would be given facilities, and that in fact the bank deposits would be used by the public. It is a fact, of course, that that expectation has not been fulfilled in practice, and that the money is lying idle in the banks, but I think it was a reasonable expectation at the time.

Mr. CHAMBERLAIN: I do not want to criticise my hon. Friend. That may have been a qualification at the time, and I only draw attention to the facts because the hon. Member was certain at the time that his remedy was one which would effect the purpose. He was just a little critical of the Chancellor of the Exchequer who had said that you could not by monetary factors alone expect to raise prices. My hon. Friend agrees now, I think, that you cannot by monetary factors alone expect to get prices up. I have some figures here. I do not know whether it is worth while to give them to the House. Perhaps they are interesting to show what has happened since the day when my hon. Friend made his speech. At the time the Bank Rate was 3 per cent. Two days afterwards, no doubt in consequence of the observations of my hon. Friend, it was 2½ per cent., and on 30th June it came down to 2 per cent., at which it has remained ever since. The Treasury Bill rate was £1 17s. 2d. and it is now 11s. 4d., and of course the three months and day-to-day figures are reduced in proportion.

With regard to the exchange, the pound was then at 3.68 dollars or 93½ francs. At the moment we cannot say what it is in dollars, but it is worth about 88 francs. So that the exchange value of the pound has come down very considerably. Then my hon. Friend complained that we held to a deflationary policy, and that it had been shown by a reduction in the joint stock bank deposits. It is true that the average of those deposits during 1931 was £1,761 millions, and that on the date on which he spoke, or about then, they were £1,699 millions, a difference of £62,000,000. But they are now £1,982 millions. They have gone up by £283,000,000. Still they have not raised prices. Take another figure which is generally considered relevant. The bankers' deposits in the Bank of England at that time were £76,000,000, and they are now over £100,000,000. That all shows, of course, as I say, that you cannot expect by monetary factors alone to raise prices. But I think it would be a great mistake to suppose that the monetary factor has nothing to do with it.

As has been said by more than one hon. Member, wholesale sterling prices have remained remarkably steady, and that is the more striking if you compare them with what has been happening in those countries which are still on the Gold Standard. In the United States prices are down by about 20 per cent., in France, 12 per cent., in Italy, 12 per cent. and in Germany, over 16 per cent. Does not that show that here we are in the presence of world forces, forces not operating here only, but over all the world, and, that, by some means or other, and as I think largely by the monetary policy which we have pursued, we are countering the effect of these world forces so far as sterling prices are concerned? If we have not raised sterling prices we have at any rate prevented them falling. I was rather surprised to hear my right hon. Friend the Member for Sparkbrook

(Mr. Amery) allude to a speech which I made on 16th February and observe that that speech was a tremendous advance on something which I had said at Ottawa and that if I had made that speech at Ottawa, it would have made all the difference there. I wonder whether he remembers what I did say at Ottawa. I have looked it up and it seems to me difficult to find any difference between what I said at Ottawa and what I said on 16th February. I said at Ottawa:

> "His Majesty's Government desire to see wholesale sterling prices rise and the best condition for that would be a rise in gold prices."

What I said on 16th February was:

> "We must raise gold prices if we can and, in any case, we must raise sterling prices."—[OFFICIAL REPORT, 16th February, 1933; col. 1223, Vol. 274.]

Frankly, I see no difference whatever between those two statements, and I cannot understand what my right hon. Friend reads into the second statement, which he describes as a great advance on the first one, and one which if it had been made at Ottawa would have changed the whole course of events.

Mr. AMERY: In his statement at Ottawa after referring to gold prices, my right hon. Friend went on to say that that limited very definitely the possibility of anything being done in regard to sterling. The whole inclination of his statement then was, "We could do comparatively little with sterling unless gold prices were raised." On 16th February the inclination of his statement seemed to be quite definitely in the other sense. "Do what you can with gold prices, but in any case we are going ahead with sterling." It seems to me that there is a substantial difference and that it would have made a great deal of difference at Ottawa.

Mr. J. JONES: Can anyone join in this row?

Mr. CHAMBERLAIN: My right hon. Friend will remember that what I did say was that the absence of a rise in gold prices obviously imposed a limitation on what could be done with sterling, but I did not say that unless gold prices rose you could do nothing with sterling. I said that there was a connection between the two and I think that view is accepted by a great number of authorities on the subject, including the right hon. Gentleman the Member for Epping (Mr. Churchill), who laid great stress upon that in a speech which he made about the same time as the speech which I made. I think it will be agreed that there are other factors which have to be taken into consideration in thinking how we can raise sterling prices. I agree with those who have said that it is not enough to have plenty of money available at cheap rates—that you must, in addition, have confidence.

The Mover of the Motion was, I think, correct in saying that that confidence had to be double sided, that is, the borrower must have confidence that he can use the money profitably and the lender must have confidence that the security which he is given offers a reasonable propect. How is that confidence to be increased? There again, it seems to me, you cannot separate conditions in this country from the conditions in the world as a whole. As long as the world is in a disturbed condition when no one knows what political changes are likely to take place, or in what financial difficulties other countries may find themselves involved, you cannot expect that international trade is going to resume its former volume. We ought always to remember that in this country we have been, in the past, a great exporting nation. We have a large number of our people who earn their living by making goods and selling them to foreign countries. In the last few years our foreign trade has shrunk until it is half of what it was. The idea that we can replace what we have lost in foreign trade by any artificial stimulus, applied in this country, appears to me one doomed to disappointment.

It has been suggested that we could increase our export trade by subsidising selected industries. An hon. Member desired the particular trade he represented to be favoured. I dare say other hon. Members would be able to supplement his suggestions with other ideas. I believe one of my hon. Friends wanted to subsidise the motor trade. If you are to subsidise not only the old industries, but the new ones like the motor industry, I do not know where you are going to stop. Perhaps it would be sufficient if I said that if you are going to use the taxpayers' money in order to subsidise a selected industry, on the ground that

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there is unlimited demand for the product of that industry at the right price, can you be quite certain that other countries would accept the position without taking any action to counteract what you are doing? There is the question of the cotton and textile industry, in which our great competitor is Japan. Japan has depreciated her currency from 2s. to 1s. 2½d., which is far greater than the depreciation in the pound. A very considerable subsidy would be needed to outweigh depreciation of that extent.

I think the matter would not be allowed to rest there. Other hon. Members, and particularly the hon. Member who last addressed the House, have said that the Government should now use their credit to start a new programme to stimulate industry, by the commencement of public work or the encouragement of private enterprise where this stimulus is needed to give the necessary start. That is the policy of the Government. That is the policy we have repeatedly described to the House as one which we were ourselves pursuing. But I do think it is necessary to say to the House very earnestly that hon. Members must not put too great reliance upon ideas of that kind. They must not imagine that the number of particular schemes which would come under their own description of schemes suitable for the purpose is unlimited, or that they are of such magnitude that they could be relied upon to raise prices or encourage the rest of industry to follow our example. What is the greatest national scheme that has been carried through in the last decade? I suppose anybody would say the establishment of the grid scheme. The grid scheme has cost £27,000,000 and is now approaching a conclusion. Can anybody say that it has had the effect of starting a general movement in industry. No. It has kept a number of factories in work which perhaps would not have been in work without it, and I believe that ultimately it will be a great asset to the country. But can anybody search round and show me half-a-dozen schemes which can compare in size, in volume, or in value with the establishment of the grid?

They all go round and round saying, "spend more money on housing, on slum clearance; spend money on the Cunarder, spend money on this, that, and the other." Everyone of these things is either being done or is being examined with a view to seeing whether it ought to be done by the Government, and if it comes within the description which everybody agrees should be applied to it, it will be done. But it would be a mistake to suppose that you can rely upon work of that kind, when you have gone through all your schemes, being of sufficient value to make a real, appreciable, and perceptible difference in this particular problem. No. It is a hard saying, but it is necessary to say again what I firmly believe in my own mind. You cannot expect that this country can attain prosperity while all the rest of the world is depressed.

Therefore, in spite of my right hon. Friend's objections to international conferences, we have got to have international conferences. We have got to try to persuade other countries to act with us in removing the obstacles to the restoration of international trade. I do not myself despair of obtaining a considerable measure of agreement, because I see that the more difficult the situation becomes, the more desperate the position of other countries grows, the more likely they are to be ready to consider any scheme which you may put up to them which will give some reasonable prospect of relief. The matters which are set out in the annotated agenda of the World Economic Conference cover, I think, most of the problems which have to be solved before we can expect to recover the prosperity of the world. There are some of them on which, no doubt, different countries have in the past held very different views, but I think I begin to see at least some approach to a greater approximation of views than has existed in the past, and until at any rate we get together, until we can exchange our observations and our views across the table, I think it is altogether too soon to despair and to say that these differences are so wide or so deep that it is inconceivable that they will be bridged.

To my mind, that would be throwing up the sponge a great deal sooner than it is necessary to do. While the Government will certainly spare no effort in doing all that it is in the power of the Government to do to stimulate trade and to raise sterling prices, yet at the same time we are not going to disguise from ourselves that the greater objective which lies before us is in the direction of international co-operation. For that purpose too we shall take every opportunity which presents itself to us to get into agreement with other nations.

Question put.

The House divided: Ayes, 128; Noes, 35.

Division No. 76.]

AYES.

[11.0 p.m.

Adams, Samuel Vyvyan T. (Leeds, W.)
Baldwin, Rt. Hon. Stanley
Baldwin-Webb, Colonel J.
Barclay-Harvey, C. M.
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Bird, Ernest Roy (Yorks., Skipton)
Boothby, Robert John Graham
Borodale, Viscount
Boulton, W. W.
Bowyer, Capt. Sir George E. W.
Broadbent, Colonel John
Brown, Ernest (Leith)
Browne, Captain A. C.
Buchan-Hepburn, P. G. T.
Burnett, John George
Campbell, Vice-Admiral G. (Burnley)
Cazalet, Thelma (Islington, E.)
Cazalet, Capt. V. A. (Chippenham)
Chamberlain, Rt. Hon. N. (Edgbaston)
Chapman, Col. R. (Houghton-le-Spring)
Clayton, Dr. George C.
Collins, Rt. Hon. Sir Godfrey
Colville, Lieut.-Colonel J.
Conant, R. J. E.
Cook, Thomas A.
Cruddas, Lieut.-Colonel Bernard
Culverwell, Cyril Tom
Davies, Maj. Geo. F. (Somerset, Yeovil)
Duncan, James A. L. (Kensington, N.)
Dunglass, Lord
Elmley, Viscount
Entwistle, Cyril Fullard
Erskine, Lord (Weston-super-Mare)
Ford, Sir Patrick J.
Fremantle, Sir Francis
Ganzoni, Sir John
Gower, Sir Robert
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Graves, Marjorie
Gunston, Captain D. W.
Guy, J. C. Morrison
Hacking, Rt. Hon. Douglas H.
Hanley, Dennis A.
Harvey, Major S. E. (Devon, Totnes)
Haslam, Sir John (Bolton)
Hore-Belisha, Leslie
Horsbrugh, Florence
Hudson, Capt. A. U. M. (Hackney, N.)
Hume, Sir George Hopwood
Hunter, Dr. Joseph (Dumfries)
Jamieson, Douglas
Joel, Dudley J. Barnato
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Law, Sir Alfred
Law, Richard K. (Hull, S.W.)
Leckie, J. A.
Lindsay, Noel Ker
Llewellin, Major John J.
Lloyd, Geoffrey
Lockwood, John C. (Hackney, C.)
Lyons, Abraham Montagu
Mabane, William
MacAndrew, Lieut.-Col. C. G. (Partick)
McKie, John Hamilton
McLean, Dr. W. H. (Tradeston)
Macmillan, Maurice Harold
Makins, Brigadier-General Ernest
Margesson, Capt. Rt. Hon. H. D. R.
Martin, Thomas B.
Mayhew, Lieut.-Colonel John
Merriman, Sir F. Boyd
Mills, Major J. D. (New Forest)
Mitchell, Harold P. (Br'tf'd & Chisw'k)
Mitcheson, G. G.
Moore, Lt.-Col. Thomas C. R. (Ayr)
Morris-Jones, Dr. J. H. (Denbigh)
Morrison, William Shepherd
Nall-Cain, Hon. Ronald
Nation, Brigadier-General J. J. H
Nicholson, Godfrey (Morpeth)
O'Donovan, Dr. William James
Oman, Sir Charles William C.
Palmer, Francis Noel
Percy, Lord Eustace
Peto, Geoffrey K. (W'verh'pt'n, Bilston)
Power, Sir John Cecil
Procter, Major Henry Adam
Ramsay, T. B. W. (Western Isles)
Ramsbotham, Herwald
Ramsden, Sir Eugene
Reed, Arthur C. (Exeter)
Reid, James S. C. (Stirling)
Ropner, Colonel L.
Rosbotham, Sir Samuel
Ross, Ronald D.
Runge, Norah Cecil
Rutherford, John (Edmonton)
Salt, Edward W.
Sanderson, Sir Frank Barnard
Savery, Samuel Servington
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Skelton, Archibald Noel
Smith, Bracewell (Dulwich)
Sotheron-Estcourt, Captain T. E.
Southby, Commander Archibald R. J.
Stevenson, James
Stones, James
Storey, Samuel
Stourton, Hon. John J.
Strauss, Edward A.
Strickland, Captain W. F.
Stuart, Hon. J. (Moray and Nairn)
Sugden, Sir Wilfrid Hart
Thomas, James P. L. (Hereford)
Thompson, Luke
Wallace, Captain D. E. (Hornsey)
Ward, Lt.-Col. Sir A. L. (Hull)
Wardlaw-Milne, Sir John S.
Warrender, Sir Victor A. G.
Waterhouse, Captain Charles
Wedderburn, Henry James Scrymgeour-
Whiteside, Borras Noel H.
Williams, Herbert G. (Croydon, S.)
Wilson, Clyde T. (West Toxteth)
Windsor-Clive, Lieut.-Colonel George
Wise, Alfred R.

TELLERS FOR THE AYES.—Mr. Amery and Mr. Hammersley.

NOES.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Batey, Joseph
Cape, Thomas
Cripps, Sir Stafford
Daggar, George
Davies, David L. (Pontypridd)
Davies, Rhys John (Westhoughton)
Edwards, Charles
Evans, David Owen (Cardigan)
Evans, R. T. (Carmarthen)
Grenfell, David Rees (Glamorgan)
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Hicks, Ernest George
Hirst, George Henry
Jones, Henry Haydn (Merioneth)
Jones, J. J. (West Ham, Silvertown)
Kirkwood, David
Lansbury, Rt. Hon. George
Lawson, John James
Leonard, William
Logan, David Gilbert
Lunn, William
McEntee, Valentine L.
McGovern, John
McKeag, William
Maclean, Neil (Glasgow, Govan)
Mason, David M. (Edinburgh, E.)
Maxton, James
Parkinson, John Allen
Price, Gabriel
Williams, Edward John (Ogmore)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE NOES.—Mr. Tinker and Mr. Groves.

Resolved,

"That this House welcomes the Government's declared intention to raise wholesale prices, gold prices if possible, but in any case sterling prices, and urges the Government, without waiting for the international consideration of gold prices, to give immediate effect to a definite and whole-hearted policy of raising sterling prices."

CONSOLIDATION BILLS.

Resolved,

"That so much of the Lords Message (7th March) as relates to Consolidation Bills be now considered."—[*Sir Frederick Thomson.*]

So much of the Lords Message considered accordingly.

Ordered,

"That a Select Committee of six Members be appointed to join with a Committee appointed by the Lords to consider all Consolidation Bills in the present Session."

Message to the Lords to acquaint them therewith.

Mr. Entwistle, Mr. Fielden, Mr. Janner, Major Milner, Mr. Robert Smith, and Mr. Ross Taylor nominated Members of the Committee.

Ordered,

"That the Committee have power to send for persons, papers and records."

Ordered,

"That three be the quorum."—[*Sir F. Thomson.*]

The remaining Orders were read, and postponed.

OATS (PRICES, SCOTLAND).

Motion made, and Question proposed, "That this House do now adjourn."—[*Captain Margesson.*]

11.8 p.m.

Mr. BOOTHBY: I make no apology for raising, briefly, the question of the price of oats in so far as it applies to Scotland. Before I say anything else, perhaps I may be permitted to comment upon the somewhat remarkable fact that the official Labour opposition have just thought fit to record a vote against the desirability of raising the price of wholesale commodities for the benefit of the primary producers of this country.

Mr. KIRKWOOD: And did so deliberately.

Mr. BOOTHBY: My hon. Friend may have done so deliberately, but I do not think he will get many of the farmers in Scotland to share his views. The reason I am raising this question to-night is that the other day the President of the Board of Trade admitted, in answer to a question, that the wholesale price of German oats as quoted in this country was very nearly half the wholesale price of oats marketed in Germany itself. When I put a further question to him upon that, his answer was:

> "I have no power to prohibit or control the importation of oats into this country. As regards the question of my hon. Friend the Member for Aberdeen, East (Mr. Boothby), he was informed in answer to a question on the 22nd February that the oats imported in 1932, showed as consigned from Germany, were not of German origin."—[OFFICIAL REPORT, 28th February, 1933; col. 161, Vol. 275.]

I would like to ask the right hon. Gentleman what difference it makes to the Scottish farmer whether the oats sent from Germany to this country and marketed at a wholesale price of something like half the price of those oats in Germany, were actually grown in Germany or not. I would further like to ask him for the details of the treaty which prohibits or prevents him and the Government from taking steps to control or to regulate the importation of oats into this country. We have just been presented with a Bill by the Minister of Agriculture, and under the terms of that Bill the Minister takes power to control or regulate the importation of foodstuffs and of agricultural products into this country except in so far as he is prevented from doing so by existing commercial treaties with foreign countries. I ask the right hon. Gentleman what good he thinks that Bill of the Minister of Agriculture will do to Scottish farmers if it can be plausibly represented by the Government that we are prevented, by those very foreign treaties to which the Bill specifically refers, from putting the Clauses of the Bill into operation in the one or two pressing cases which, we all know, are the only cases in which substantial benefit can be derived by the Scottish agricultural community? The export of oat products to this country is known and admitted by the Government to be State-aided by foreign countries.

The first question that I want to put to the right hon. Gentleman is, what steps have the Government taken to counteract that known and admitted fact that oat products are actually State-aided by the Governments of Europe, and are imported into this country under those conditions? In regard to the export of oats, I have obtained an admission from the Government that the wholesale price in this country is only about half the wholesale price in Germany. I would ask the right hon. Gentleman if his attention has been drawn to a statement in the market news of Hamburg that it is the intention of the German Government deliberately to subsidise the export of oats as well as of oat products at the end of this month?

I do not know whether there is anything in that, but I ask the right hon. Gentleman whether he knows anything about it, and if so, if he proposes to take particular action in the matter? All we know is that during last January, 18,000 cwts. of oats were imported from Germany, as against none in January of last year.

The Secretary of State and the Under-Secretary of State know perfectly well the position of the Scottish farmer at the present. Taking it all over, he is an arable stock farmer who depends for his existence upon beef and oats. Unless he can get a reasonable price for those two commodities, he will be gradually, steadily and remorsely forced out of existence. Those two commodities are the basis of Scottish agriculture. This House has brought particular and special assistance to the English farmer in respect of wheat and beet. In the North of Scotland, at any rate, neither of these products can be produced with any reasonable expectation of a profit. We got in at the last election on pledges to do something to assist the Scottish farmer as such. My right hon. Friend knows as well as we all know that these two commodities are the basis of Scottish agriculture. What steps does he propose to take to implement the pledges that we gave at the last election so far as Scotland is concerned?

It is no exaggeration to say that the whole of the North of Scotland is seething with indignation, especially as a result of the very cavalier replies which have been given on this subject by the President of the Board of Trade, who certainly gave the House the impression that he not only proposed to do nothing, but did not want to do anything in regard to this vital question. I do not wonder at the feeling of Scottish farmers on the matter. The Government have been in supreme power for 15 months. I would ask the right hon. Gentleman what has been done during that time for Scottish agriculture as such? I have not been able to see any results——

The UNDER-SECRETARY of STATE for SCOTLAND (Mr. Skelton): Potatoes.

Mr. BOOTHBY: We heard a great deal at the last election, and we have heard a great deal ever since, about these foreign trade agreements which were to be so beneficial to agriculture and all other industries in this country, especially as regards Europe. We were to use the new weapon of the tariff to force our way into these European markets; we were to use it as a bargaining weapon to obtain reductions in our favour, and also to obtain reciprocal trading agreements which would be of advantage to both sides. Precious few of those agreements have been arrived at up to date. The patience of Scotland is not unlimited, and, unless something is done for Scottish agriculture—which means oats and livestock—and done fairly soon, Scottish agriculture will enter into a decline, and no one can say when it will begin to fall out of that decline. If that is the case, then the prognostication of the Chancellor of the Exchequer that we shall have at least 10 years of the existing unemployment will prove to be true indeed.

11.18 p.m.

Mr. JAMES STUART: I desire to support the plea that my hon. Friend has put forward, particularly in relation to oats. There are other pressing questions, but I desire to press this question particularly. I agree with my hon. Friend that the feeling at the present time in the North of Scotland is very strong, and I would ask the right hon. Gentleman either to say that he will definitely do something towards restricting or prohibiting foreign imports, or to give us the reason why it is impossible to take such steps. The present position is most unsatisfactory, and I assure the right hon. Gentleman that not only the Northern Members of the House, but farmers in Scotland, are extremely dissatisfied with the answers to questions which have been received in this House from the Government. I would also assure him that I, at any rate, and Scottish farmers, will not be content with being put off in the sort of way in which we have been put off. The Under-Secretary just now, in an interjection, mentioned potatoes. It is true that a duty has been placed upon potatoes, but there again the price is not a remunerative one. It is a well known fact that we can produce in a normal year all the potatoes that we require, and we can also produce the oats that we require. I am now referring especially to oats, and, in view of that fact, it seems to me to be an astounding

[Mr. Stuart.]

state of affairs that we should tolerate the importation of oats into this country by means of veiled subsidies. We are throwing people out of employment when we know that the main object of the Government is to endeavour to keep people in employment. I trust that the Secretary of State will give us a satisfactory answer, and that the Government will endeavour to do something about the matter.

11.20 p.m.

The SECRETARY of STATE for SCOTLAND (Sir Godfrey Collins): The two hon. Members who have spoken have very properly raised a matter affecting their constituents—the tragic situation in which so many farmers find themselves through the low price of oats. If I am unable to give them the satisfaction that they desire it is not through any lack of sympathy with their cause. The House of Commons last year decided to set up an Import Duties Advisory Committee for the express purpose of considering such cases as my hon. Friends have put to me this evening. The Committee was set up by a large majority, said that its members could hear the case and receive written representations from different associations and bodies that are represented here and elsewhere. Their case has been before this committee for three months. It would be highly improper for me to make any comment upon whatever decision the committee may decide in its wisdom to bring into effect. I am sure that if my hon. Friends found themselves in my position they would fall back upon the very proper Parliamentary statement that this committee is to perform the very purpose which my hon. Friends want me to perform; to inquire into the case of the present price of oats and oat products. That must be my answer to them. The hon. Member for East Aberdeen (Mr. Boothby) thought fit to make, as I thought, some unfair comments upon the administrative action of the President of the Board of Trade. Since my right hon. Friend held that office, he has not been backward—I might put it much more strongly. He has used his knowledge and business experience to safeguard the interests, not only of farmers but manufacturers, and on the Floor of the House and in the rooms of the Board of Trade and at Ottawa for many weeks, he worked to safeguard the interests of this country. During the last few months, as my hon. Friend must know, he has been occupied weekly and daily and nightly in carrying through, we hope to success, these trade negotiations with other countries. It takes time for these negotiations to be carried to a successful conclusion.

My hon. Friend asked me whether it made any difference to Scottish farmers whether oats came here from Germany or elsewhere if they came at a low price. It makes no difference whatever from what country they come if they come at too low a price. He went on to speak of the German export subsidy. The system at present in vogue in Germany differs in some degree from that which was in force a year or two ago. I understand that the system is that an exporter in Germany exporting, say, one cwt. of oat products is given a certificate entitling him to import an equivalent quantity of oats duty free. The certificate may be sold, and the probability is that if oats are being imported in quantities equivalent to the oat products exported, the certificate would have a value approximating to the amount of the duty on the cwt. of oats. I think, therefore, that the hon. Member will agree that the system presently in vogue is in the nature of a drawback. I say nothing of the new system to which the hon. Member referred, with regard to which I will have inquiries made at once in view of his having drawn my attention to it. Let me remind him, not on oats, but on some other products in which he has taken a very active and powerful interest, that the advantages of a drawback have been pressed by him upon the Government and upon successive Governments.

Mr. STUART: Does the right hon. Gentleman really think the Scottish farmer is interested in the German method of subsidising oats?

Sir G. COLLINS: If it was a bounty a new question would arise. I suggest to my hon. Friend that the present system is in fact not a bounty, but a drawback.

Mr. STUART: We do not mind what you call it.

Sir G. COLLINS: In negotiating these matters with other countries we must come down to the actual facts of the case. Let me remind my hon. Friend of the amount of oat products which have come to the shores of Great Britain from Germany during the last two years. In 1931 the total quantity was 26,000 cwts. In 1932—the latest figures available to me, although the hon. Member mentioned the figures for January of this year, which are not yet in my possession—the figure was 87,000 cwts. Having regard to the vast consumption in this country—although I readily admit that a certain quantity thrown on to the market at a particular place and at a particular moment does affect the price—we have to take the broad view as to the total quantity of oats coming into this country and must not be unduly influenced, however much we may sympathise with those who suffer at a particular moment, but must have regard to the total quantity coming in and shape our policy accordingly.

The request for an increased duty is presently before the Import Duties Advisory Committee, and if and when that committee comes to a decision a new situation arises, it will be highly improper for me to ask this Committee to act in one way or another, or even to act quickly. When this House entrusts these very arduous duties, these very difficult duties, to a body of men, the least this House can do is to extend to them that confidence which the House has always extended to those who take up a very unpleasant task and carry it out.

It being Half-past Eleven of the Clock, Mr. SPEAKER *adjourned the House, without Question put, pursuant to the Standing Order.*

Adjourned at Half after Eleven o'Clock.

HOUSE OF COMMONS.

Thursday, 9th March, 1933.

The House met at a Quarter before Three of the Clock, Mr. SPEAKER *in the Chair.*

PRIVATE BUSINESS.

Private Bills (Standing Orders not previously inquired into complied with),

Mr. SPEAKER laid upon the Table Report from one of the Examiners of Petitions for Private Bills, That in the case of the following Bills, referred on the Second Reading thereof, the Standing Orders not previously inquired into, which are applicable thereto, have been complied with, namely:

London and North Eastern Railway Bill.

Southern Railway Bill.

Bills committed.

St. Helens Corporation Bill (by Order),

Read a Second time, and committed.

ORAL ANSWERS TO QUESTIONS.

UNEMPLOYMENT.

TRANSITIONAL PAYMENTS.

1. **Mr. BATEY** asked the Minister of Labour how many resolutions and letters have been received from miners' lodges in the Seaham division protesting against the means test administered by the commissioners in Durham; and what steps he intends to take to deal with the matter?

The MINISTER of LABOUR (Sir Henry Betterton): I have received two protests from miners' lodges in the Seaham division about the administration of transitional payments by the commissioners. With regard to the second part of the question, I have nothing to add to the statement which I made on 21st February in the course of the Debate on the Adjournment.

Mr. BATEY: As this affects the Prime Minister's division, will the right hon. Gentleman see the Prime Minister and ask him if any resolution has been received?

Sir H. BETTERTON: Yes, Sir.

6. **Mr. LAWSON** asked the Minister of Labour if he is aware that it is the practice of some public assistance committees, and also appointed commissioners, to include the quarterly reserve pay of ex-soldiers in calculating income, and that such reservists are in fact being deprived of a certain amount of their pay through the consequent reduction of their transitional payments; and what steps he proposes to take to prevent this practice being continued?

Sir H. BETTERTON: I would refer the hon. Member to the reply which I gave to my hon. Friend the Member for North West Camberwell (Mr. Cassels) on 17th February, of which I am sending him a copy.

Mr. LAWSON: Is reserve pay not given to a man in order that he may maintain a certain standard of fitness in view of his obligations? If this is taken into calculation, he is not having the benefit of his reserve pay.

Sir H. BETTERTON: That is the question that I answered on 17th February.

Mr. LAWSON: Is the right hon. Baronet aware that in face of his answer, that reserve pay is still being taken into calculation, a man is losing a certain amount of transitional payment and cannot maintain his fitness?

Sir H. BETTERTON: My answer was that I have no ground for thinking that, in determining transitional payment, the committees will not have regard to any special expenditure to which applicants may be entitled.

13. **Mr. LAWSON** asked the Minister of Labour whether the Commissioner for the county of Durham is now prepared to meet accredited representatives of those who are subject to transitional payments when the recipients have difficulties about the amount received; whether he has met any such representatives; and whether he can make a statement explaining the present position?

Sir H. BETTERTON: I understand that the commissioners and their officers are always ready to meet accredited representatives of applicants. A number of meetings between such representatives and the First Commissioner have already taken place.

17. **Mr. BATEY** (*for* **Mr. EDWARD WILLIAMS**) asked the Minister of Labour whether he is aware that, in adjusting the amount of transitional payment to be paid to a recipient owing to a drop in the family income as a result of a member of the family becoming unemployed, the Durham Commissioners do not make the adjustment retrospective to the effective date; and whether he will represent to the commissioners that where transitional payment to a recipient is to be increased in these circumstances the increase should date from the time of the changed circumstances?

Sir H. BETTERTON: I have no reason to suppose that the commissioners do not make their determinations retrospective, in proper cases, to the extent allowed by the Regulations. Owing to difficulties that were occasionally experienced in various parts of the country, the Regulations have recently been amended so as to permit determinations to be dated back for an additional week. This should be sufficient to meet any case in which the claimant reports a change of circumstances with reasonable promptitude.

Mr. BATEY: As the revision takes place each month, is not a week a small period to date back, and ought not the revision to date back to the time of the altered circumstances?

Sir H. BETTERTON: No, quite recently, in answer to a question put by the hon. Gentleman or one of his friends, I said I would look into the matter. As a result I have made this Regulation enabling retrospective payment for a further week to be made in proper cases. I think that the Regulation will remove the difficulties to which the hon. Gentleman refers, and in any case before considering the matter further I must first see the working of the Regulation.

19. **Mr. PRICE** asked the Minister of Labour whether he is aware that the commissioners appointed to administer transitional payments, and also public assistance committees, in assessing the income of a family generally take into account the gross instead of the nett earnings of those members who are in employment; and whether, in view of the fact that in many cases deductions from the gross earnings are substantial, amounting in the mining industry approximately to 3s., he will circularise all commissioners and public assistance committees recommending that only the nett earnings shall be taken into account?

Sir H. BETTERTON: I have no grounds for thinking that in dealing with applications for transitional payments local authorities and commissioners are not fully aware of the powers vested in them to have due regard to expenses necessarily incurred by members of a household in the course of their employment.

Mr. T. WILLIAMS: Is not the right hon. Gentleman aware that in the West Riding of Yorkshire the public assistance committee have a scale, and that that scale is calculated whereby gross earnings are taken into consideration as nett income, and does he not see that this is an injustice to part-time workers?

Sir H. BETTERTON: I have not the scale which is in operation in that part of the country at present before me so that I cannot answer the question offhand.

Mr. WILLIAMS: If I send a copy of the scale to the right hon. Gentleman, will he take up the matter with the commissioners or the public assistance committee?

Mr. LUNN: Will the right hon. Gentleman inquire whether it is the gross earnings or the nett earnings which are taken into account?

Sir H. BETTERTON: I did make some inquiries on the point, and I am told that, speaking broadly, it is the gross earnings less off-takes that are taken into account. That is the answer I received, and I am not in a position to say anything further.

Mr. PIKE: Is it not a fact that the deduction which is made on the ground of income is precisely the same as before?

SEDGEFIELD UNEMPLOYMENT CENTRES (CONTRACT).

2. **Mr. BATEY** asked the Minister of Labour if he is aware that the Sedgefield, County Durham, unemployment centre tendered for two cupboards for the new offices of the Sedgefield Public Assistance Committee, and as the price of £3 9s. 6d. for each cupboard was the lowest tender it was accepted; and whether he will take steps to see that unemployment centres in receipt of grants shall not compete with commercial firms for public contracts?

Sir H. BETTERTON: I understand that this centre is not in receipt of a grant from Government funds, but I am making further inquiries and will let the hon. Member know the result.

Mr. BATEY: Is this one of the centres under the charity fund, and is it the object of the Government that these centres shall blackleg ordinary trade union conditions?

Sir H. BETTERTON: The hon. Member must not make either assumption. I have said that this centre is not in receipt of a Government grant, and I am making further inquiries and will let the hon. Member know the result.

INSTRUCTIONAL CENTRE, NORTHUMBERLAND.

3. **Colonel CLIFTON BROWN** asked the Minister of Labour if he will consider the setting up of a residential instructional centre for Northumberland?

Sir H. BETTERTON: A residential instructional centre, to accommodate 200 men, will shortly be established on the Kielder Estate, Northumberland. The centre will be open to suitable unemployed men in the depressed areas of the North-East Coast who desire to avail themselves of the opportunity for training and reconditioning. The men will be engaged mainly on work for the Forestry Commission.

Colonel BROWN: How long will these courses last, and when will work start?

Sir H. BETTERTON: It will be open quite soon, but I cannot give a precise date. The length of the course will be 12 weeks.

Mr. KIRKWOOD: Is the right hon. Baronet aware that there are over 200 men highly skilled in afforestation unemployed?

Sir H. BETTERTON: I will take that from the hon. Member.

BENEFIT (ROAD WORKERS).

4. **Mr. SMEDLEY CROOKE** asked the Minister of Labour if he will consider the advisability of inserting in the new Bill Regulations whereby men employed on road repairs and similar outdoor work who are called off by the foremen on account of bad weather shall be entitled to unemployment benefit for the days of compulsory unemployment as in the case of insured workers in factories, who are entitled to the benefit when works are closed for half a week owing to scarcity of orders?

Sir H. BETTERTON: The same rules already apply in this respect to all classes of insured workers. Loss of work for periods of less than a day at a time is not covered by the insurance scheme.

Mr. CROOKE: Will the right hon. Baronet give me an opportunity of putting further points on the matter before him?

Sir H. BETTERTON: Certainly.

Mr. BUCHANAN: Have Regulations been recently issued which debar an applicant for benefit from making application or having his claim ante-dated for circumstances such as refusing work on account of weather?

Sir H. BETTERTON: I am not sure what the hon. Member has in mind. If he will put a question down, I will give him an answer.

Mr. BUCHANAN: I will raise the matter on the Adjournment.

STATISTICS.

14. **Mr. PRICE** asked the Minister of Labour if he can state the estimated number of persons between the ages of 18 and 21 now unemployed?

15. **Mr. CAPE** asked the Minister of Labour if he can state the estimated number of juveniles between the ages of 14 and 18 now unemployed?

Sir H. BETTERTON: At 20th February, 1933, there were 134,280 juveniles aged 14 to 17 inclusive, and 248,408 persons, aged 18 to 20 inclusive, on the registers of employment exchanges in Great Britain.

Mr. KIRKWOOD: Is it not apparent to the Minister that it is an indictment against the present system, that you have all these young people from 14 to 20 years of age and that there is no room for them?

Mr. SPEAKER: That is a matter of opinion.

Colonel GOODMAN: In view of the enormous figures and the need for reduction, will my right hon. Friend consider legislation being introduced to restrict the hours of labour of thousands of boys and girls who are at present working from 60 to 80 hours a week?

Sir H. BETTERTON: That raises a question with which I could not possibly deal in answer to a supplementary Question.

5. **Mr. T. WILLIAMS** asked the Minister of Labour if he will give an estimate of the reduction of registered employed owing to legislative and administrative changes at the latest possible date; and whether this figure has been below 170,000 at any time since September, 1932?

Sir H. BETTERTON: I would refer the hon. Member to the reply which I gave on 27th October, 1932, to a question on this subject by the hon. Member for Aberdare (Mr. G. Hall).

WOOLLEN AND WORSTED INDUSTRY.

16. **Mr. LUNN** asked the Minister of Labour whether the drop in the number of insured persons in the woollen and worsted industry from 268,230 in June, 1923, to 232,580 in June, 1932, is due to any special circumstances apart from the present industrial depression; and whether, in view of the increase during the same period of the number of unemployed in this industry from 18,488 to 62,810, any special steps to help this industry are being considered?

Sir H. BETTERTON: About 9,000 of the decrease is due to the exclusion of persons aged 65 and over, but otherwise the answer to the first part of the question is in the negative. As regards the latter part of the question, I would point out that unemployment in the industry decreased by nearly 39,000 between September, 1931, and February, 1933.

Mr. LUNN: Are there any special circumstances that the right hon. Baronet could give as the cause of this small number being employed, and what is the Government doing to encourage employment in this industry?

Sir H. BETTERTON: In the last 18 months the amount of unemployment has decreased by no less than 39,000.

Mr. T. WILLIAMS: Can the right hon. Baronet give any idea of the cause of the colossal increase of unemployment in the textile industries? Does he attribute that to lack of spending power on the part of the workers?

Mr. SPEAKER: We cannot go into questions of that kind.

WALES.

18. **Mr. GEORGE HALL** asked the Minister of Labour whether there is any special explanation of the fact that the number of wholly unemployed persons in the Wales division has increased from 162,790 in January, 1932, to 188,613 in January last?

Sir H. BETTERTON: This increase is principaly due to a further reduction of employment in the coal-mining industry.

Mr. HALL: Is the right hon. Baronet aware that the reduction in employment is very largely due to restrictions imposed upon our coal exports by countries with whom we are engaged in fiscal warfare?

Sir H. BETTERTON: I could not discuss that in answer to a question, certainly not without notice. It is, of course, true that the third 1,000,000 tons of coal under the Italian agreement has not been delivered. That is one contributory cause.

Mr. HALL: Is the right hon. Baronet aware that that will only account for about 4,000 men, and can he give any intimation when orders from this 1,000,000 tons will be placed?

Sir H. BETTERTON: No, Sir.

10. **Mr. G. HALL** (*for* **Mr. DAVID GRENFELL**) asked the Minister of Labour whether he will state the number of unemployed persons who have been transferred from the Wales division

[Mr. Hall.]

since 1921, and the relative numbers of people on the register for all occupations in South Wales in 1921 and 1932, respectively?

Sir H. BETTERTON: Statistics are not available regarding the numbers of unemployed persons transferred from the Wales division since 1921. The average number of unemployed persons on the registers of Employment Exchanges in the counties of Brecon, Carmarthen, Glamorgan, Monmouth, and Pembroke were 79,487 in 1921, and 200,256 in 1932.

Mr. HALL: Can the right hon. Gentleman give the figures of those who have been transferred under the schemes initiatd by the Ministry of Labour?

Sir H. BETTERTON: I could not say without notice, but, if the hon. Gentleman will put a question on the Paper, I will certainly give him the information if I can.

11. **Mr. G. HALL** (*for* **Mr. D. GRENFELL**) asked the Minister of Labour whether he will state the amount of difference between the money value of the determinations of claims for transitional benefit in the Wales division from November, 1931, to the latest available date, and the amount which would have been paid in these claims at the ordinary rate of benefit?

Sir H. BETTERTON: I will consider whether it is possible to furnish this information and will write to the hon. Member.

POOR LAW RELIEF.

43. **Mr. HICKS** asked the Minister of Health if he is aware that in Area VII of the London Public Assistance Committee, which is an area covering a population of over 800,000, it is the general practice to refuse out-relief to persons receiving unemployment benefit or transitional payment on the ground that those payments are considered to be adequate for the people to live on; and if he will issue a circular to local authorities to secure uniformity of treatment and setting out the views of his Department?

The MINISTER of HEALTH (Sir Hilton Young): This is a matter within the general discretion of the public assistance authority, and I believe that authority, which of course acts for the whole county, to be alive to the importance of securing a proper measure of public assistance and reasonable uniformity of administration. The reply to the second part of the question is in the negative.

WORK SCHEMES.

12. **Mr. G. HALL** (*for* **Mr. D. GRENFELL**) asked the Minister of Labour whether he will state in a general form the ascertained allocation to wages, materials, purchase of land, and interest charges of a sum of £1,000,000 expended on schemes of public work?

Sir H. BETTERTON: I regret that it is not practicable to allocate the expenditure separately under these heads.

EMPLOYMENT (SOUTH WALES).

7, 8 and 9. **Dr. JOHN WILLIAMS** asked the Minister of Labour (1) the number of employed persons in the mining industry in 1921, 1931 and 1932 in Carmarthenshire, Glamorgan, Monmouthshire and Breconshire, respectively;

(2) the number of employed persons in the iron and steel industry in South Wales for the years 1921, 1931 and 1932, respectively;

(3) the number of employed persons in the tinplate industry in South Wales for the years 1921, 1931 and 1932, respectively?

Sir H. BETTERTON: I am having the information desired extracted so far as it is available and will circulate statements in the OFFICIAL REPORT as soon as the figures are ready.

FIREARMS ACT.

20. **Mr. LEVY** asked the Secretary of State for the Home Department if his attention has been called to recent cases in which private residents have been held up by armed men who have forced their way into the houses; and what measures are being taken or are proposed to restrict the distribution of arms which make possible these crimes?

The SECRETARY of STATE for the HOME DEPARTMENT (Sir John Gilmour): The answer to the first part of the question is in the affirmative. In reply to the second part, the provisions of the Firearms Act, 1920, are being strictly enforced by the police and, in addition, as I informed my hon. Friend the Member for Camberwell (Mr. Cassels) on the 16th February, I am considering the possibility of new legislation to provide special penalties for the possession or use of a firearm or a colourable imitation in connection with the commission of crime or for the purpose of avoiding arrest.

Mr. LEVY: Am I to understand from that reply that the sale of toy pistols which can be converted into lethal weapons will be prohibited, and will the right hon. Gentleman consider revising the existing licences with a view to their reduction?

Sir J. GILMOUR: I cannot go into details in answer to a question, but the whole matter is under consideration, and I cannot add anything to what I have said.

TRANSPORT.

Traffic Noises (Convictions).

23. **Mr. LOVAT-FRASER** asked the Home Secretary how many persons using motor vehicles have been convicted of offences involving the making of noise during 1930, 1931 and 1932?

Sir J. GILMOUR: The particulars collected from the police for the purpose of the annual return of motoring offences show the numbers of convictions but not the numbers of persons dealt with for this class of offence. During 1930, there were 23,468 convictions in England and Wales for silencer offences, but figures are not available for that year in respect of other noise offences. During 1931, there were 21,062 convictions in England and Wales for excessive noise offences of all kinds. I regret I cannot give the information asked for in respect of 1932, as the returns for that year have not yet all been received.

Rail and Road Conference.

58. **Colonel BALDWIN-WEBB** asked the Minister of Transport whether in view of the fact that, owing to paragraph 134 of the Salter Report foreshadowing the allocation of £36,500,000 balance of road costs to passenger vehicles, uncertainty continues and is holding up a number of municipal and other transport schemes, thereby aggravating unemployment, he will remove this uncertainty by a statement on the point?

The PARLIAMENTARY SECRETARY to the MINISTRY of TRANSPORT (Lieut.-Colonel Headlam): I am unable to add to the answer given to my hon. and gallant Friend on the 21st February to the effect that questions of taxation are Budget matters which cannot be anticipated.

Road Signs (Metal Studs).

59. **Captain Sir WILLIAM BRASS** asked the Minister of Transport whether he will consider the use of metal studs for marking out pedestrians' paths across the London streets, as has been successfully adopted in Paris for many years, in substitution for the "Please cross here" boards, which are often illegible to pedestrians through lack of paint, and are invisible to drivers of cars with low roofs?

Lieut.-Colonel HEADLAM: The best means of indicating crossing places for pedestrians has been engaging the attention of the Departmental Committee on Traffic Signs appointed by the late Minister of Transport. My hon. Friend is expecting to receive the report of this Committee very shortly, and will then consider what further action is necessary.

Sir W. BRASS: Will the hon. and gallant Member consider the advisability of making an experiment of the suggestion I have made on a large scale in London before that?

Lieut.-Colonel HEADLAM: I cannot actually promise to do that, but I am in sympathy with the suggestion, and I will do my best to see that it is brought to the notice of the Department.

Motor Drivers' Licences.

60. **Sir W. BRASS** asked the Minister of Transport whether he will take steps to prevent local authorities who at present issue motor driving licences from issuing, as from some future date, any licences to new applicants, who have not previously held licences, until a short oral examination on the recognised rules of the road, including hand signals, shall have been successfully passed, in order that prospective drivers may have a knowledge of the highway code?

Lieut.-Colonel HEADLAM: The whole question as to the tests, if any, to which applicants for motor driving licences

[Lieut.-Colonel Headlam.]
should be put was discussed at considerable length when the Road Traffic Act, 1930, was before Parliament. Amending legislation would be required to carry out the hon. and gallant Member's suggestion, and while I am not at present satisfied that this is necessary, I shall keep the matter in mind.

Sir W. BRASS: Does not the Parliamentary Secretary realise the danger that arises from people who have no idea of the rules of the road being granted licences without having read the rules?

Lieut.-Colonel HEADLAM: I understand the danger to which the hon. and gallant Member alludes, but if he will inquire into the causes of road accidents, he will find that the majority are not due to beginners so much as to people who have been driving for some time.

JUVENILE OFFENDER (SENTENCE, EALING).

24. **Sir FRANK SANDERSON** asked the Home Secretary if he will inquire into the case of George Samuel Woodward, aged 12½ years, who, on the 13th January, 1933, was charged at Ealing Police Court with breaking into a shop, and was sentenced to 3½ years at Stanhope Industrial School, Ashford; and whether, seeing that the boy's parents were unable to defend him in court, and that this was his first offence, he will consider remitting or reducing the sentence passed upon the boy and releasing his father from the obligation to contribute four shillings a week towards his maintenance at the industrial school?

Sir J. GILMOUR: I am making inquiry into this case and will communicate with my hon. Friend in due course.

Mr. HOLFORD KNIGHT: May I ask my right hon. Friend whether the Department has called the attention of lay magistrates to the new statutory facilities for giving assistance to poor prisoners in police courts?

Sir J. GILMOUR: I should like notice of that question.

DARTMOOR PRISON OFFICERS (PROMOTION).

26. **Mr. McENTEE** asked the Home Secretary how many existing officers at Dartmoor Prison have been passed over for promotion; what were the reasons for disqualifying the officers; and whether the course taken was based on the recommendations of the governor?

Sir J. GILMOUR: I am informed that at Dartmoor Prison there are six officers who have been passed over for promotion. Promotion in the prison service is by merit, with due regard to seniority; and when an officer who desires to be considered for promotion is passed over, it is on the ground that his qualifications are substantially less than those of the officer whom it is decided to promote. Consideration would invariably be given to any recommendations submitted on such occasions by prison governors, but the final responsibility must rest with the Prison Commissioners.

Mr. McENTEE: Can the right hon. Gentleman say whether there is any difference between the recommendations of the late governor and the present governor in this particular matter?

Sir J. GILMOUR: As I have explained, this is a matter entirely for the Prison Commissioners.

EDUCATION.

TEACHERS' SALARIES.

27. **Colonel CHAPMAN** asked the Parliamentary Secretary to the Board of Education what is the increased charge for the year ending 31st March, 1934, for salaries of teachers in elementary schools in London and in other Grade IV areas, respectively, incurred in consequence of the number of annual increments of salary granted to teachers paid under Grade IV of the Burnham scale of salaries being greater than the number of increments granted to teachers paid under Scale III?

The PARLIAMENTARY SECRETARY to the BOARD of EDUCATION (Mr. Ramsbotham): On the basis of the latest information available as to the number of teachers in employment and their present position on the salary scales, the estimated additional cost of salaries for the year ending 31st March, 1934, in consequence of the number of annual increments of salary payable in Scale IV areas being greater than that in Scale III areas, is approximately

£191,000 in respect of London, and £96,000 in other Scale IV areas. The cost to the Exchequer is half these amounts.

Colonel CHAPMAN: In view of the fact that throughout their service teachers under Scale IV are receiving a higher rate of salary than those under Scale III is there any reason why the increments should continue for a longer period in Scale IV than under Scale III: and will my hon. Friend take steps so that the increments under Scale IV shall continue only for the same period as increments under Scale III do at present?

Mr. RAMSBOTHAM: The scales were settled under the terms of the Burnham Award, and a change from one scale to another is subject to the consent of the local education authority, the teachers and the Standing Joint Committee.

Traffic Dangers (Warning).

28. **Mr. HANNON** asked the Parliamentary Secretary to the Board of Education if his attention has been called to the action of the chief constable at Stoke-on-Trent who provided a policewoman lecturer to address children in elementary schools on traffic dangers and how to avoid them; if the result of this educational experiment has been to reduce the number of accidents to school children; and if education committees generally will be encouraged to provide facilities for instruction of the same kind?

Mr. RAMSBOTHAM: My Noble Friend is aware of the arrangements in question. He understands that the authority are satisfied that the talks have been effective and that there are grounds for thinking that they have resulted in some reduction in the number of street accidents to children of school age. As regards the last part of the question, memoranda on traffic dangers have been issued by the Board to local education authorities from time to time, and my Noble Friend has every reason to believe that authorities are alive to the importance of warning children in their schools, either by notice or by the provision of special instruction, on the subject of traffic dangers generally.

Mr. HANNON: Relating to this particular experiment at Stoke-on-Trent, will my hon. Friend call the attention of education authorities throughout the country to the importance of the result which has been achieved by the action taken by the chief constable?

Mr. RAMSBOTHAM: I think that the question, and the answer which I have given, will have the desired effect.

Elementary Schools (Leavers).

29. **Mr. LUNN** asked the Parliamentary Secretary to the Board of Education the approximate number of boys and girls, respectively, leaving the elementary schools at the end of each school period?

Mr. RAMSBOTHAM: As the answer contains a number of figures, I will, with the hon. Member's permission, circulate it in the Official Report.

Mr. LUNN: Can the hon. Gentleman say if the Government have taken any steps to encourage these children either to continue at school or to provide them with employment in order to take them off the streets?

Mr. RAMSBOTHAM: I hardly think that that matter arises out of the question.

Following is the answer:

My Noble Friend assumes that the hon. Member's question refers to the number of children leaving the elementary schools at the end of each school term. He regrets that no information is available as to the number of leavers at these particular periods of the school year, but the numbers of children leaving public elementary schools in England and Wales at the school leaving age, otherwise than for further full-time education, during the last three years are as follows:

—	Boys.	Girls.	Total.
1929–30 ...	228,421	223,470	451,891
1930–31 ...	235,738	234,498	470.236
1931–32 ...	207,303	207,676	414,979

HOUSING.

Door Locks.

30. **Mr. MANDER** asked the Minister of Health whether he will consider the advisability of bringing to the attention of local authorities the importance, from an economic point of view, of employing

[Mr. Mander.]
good quality locks in connection with housing schemes and with a view to the increased employment thereby provided?

Sir H. YOUNG: I shall be glad if the hon. Member will bring to my attention any complaints in the matter to which he refers of which he has information.

Mr. MANDER: Is the right hon. Gentleman aware that some years ago his Department issued a circular to local authorities, and will he consider the advisability of doing it again?

Sir H. YOUNG: I am aware of the circumstances to which the hon. Member refers.

Mr. HANNON: Is my right hon. Friend aware that the very best locks of the world are made in Birmingham?

IMPROVEMENT AREAS.

31. **Mr. WALTER REA** (*for* **Mr. HARCOURT JOHNSTONE**) asked the Minister of Health how many improvement areas have been scheduled by local authorities since the passing of the Housing Act of 1930; and what period has generally elapsed since the passing of the local authority's resolution to the confirmation of the improvement order?

Sir H. YOUNG: Resolutions have been passed by 15 local authorities declaring 25 areas to be improvement areas. Such a declaration does not require confirmation by me and the latter part of the question therefore does not arise.

SUBSIDISED HOUSES (TENANTS).

34. **Mr. HALL-CAINE** asked the Minister of Health which local authorities in England and Wales have adopted any scheme for ensuring that State-aided houses shall not be occupied by persons of substantial means; and what steps are being taken by his Department in connection with this matter?

Sir H. YOUNG: I would refer my hon. Friend to the reply given to a similar question put on 17th November, of which I am sending him a copy. I have drawn special attention to this matter in the annual report made by me and I am sending an extract from this report for my hon. Friend's information. I have also asked the Association of Municipal Corporations to consider and submit their observations upon a recently published report made by the Scottish Consultative Council on Local Health Administration and General Health Questions.

Mr. HICKS: Has the Minister yet defined what subsidy means?

Sir H. YOUNG: There has been no need to do so.

Mr. LOUIS SMITH: Is the Minister aware that in houses which have replaced slums there are cases of people living there of considerably higher means than the people for whom those houses were built? Will he take action in the matter?

Sir H. YOUNG: Those are matters which are dealt with in the passages of the Report to which I have referred.

Sir FRANCIS FREMANTLE: Will the right hon. Gentleman see that the houses that are to be built under his new scheme are similarly protected against abuse?

ROYAL SEAMEN'S PENSION FUND.

32. **Sir MURDOCH McKENZIE WOOD** asked the Minister of Health whether he is aware that dissatisfaction exists among fishermen with regard to recent changes in the administration of the Royal Seamen's Pension Fund; and whether he will institute an inquiry into their grievances?

Sir H. YOUNG: The changes that have been made recently in the scheme governing the award of pensions by the Royal Seamen's Pension Fund have been in the direction of improving the position of fishermen, and I am not aware that they have given rise to dissatisfaction among fishermen, or that there are grievances which call for the institution of an inquiry.

Sir M. WOOD: Is the right hon. Gentleman aware that the changes which have recently been made have caused dissatisfaction, and has he inquired from the governing body of the fund whether the statement contained in the question as to the existence of this grievance is well founded?

Sir H. YOUNG: I have had no complaints brought to my attention.

Sir M. WOOD: Will the right hon. Gentleman make inquiries, and will he inform the House whether he exercises any supervision over the administration of this fund?

Sir H. YOUNG: Yes, Sir, and it is desirable that the hon. Member should communicate any complaints of which he is aware.

Mr. CHARLES WILLIAMS: Is my right hon. Friend aware that much too much of the money of this fund goes to the Scottish fishermen?

33. **Sir M. WOOD** asked the Minister of Health whether, with regard to the recent request for representation on the governing body of the Royal Seamen's Pension Fund from a seamen's organisation not at present represented, he will state what reply has been given; and whether he will consider the advisability of amending the present scheme so as to permit of all seamen's organisations being adequately represented on the governing body?

Sir H. YOUNG: I am not sure to what seamen's organisation the hon. Member refers in the first part of his question. There are no vacancies at the present time on the Governing Body of the Royal Seamen's Pension Fund, but if the hon. Member will let me know how he thinks that representation of the various classes of beneficiaries could be more satisfactorily secured than under the present scheme, I will see that his suggestions receive consideration.

Sir M. WOOD: I understand that the Officers' Federation made an application? Can the right hon. Gentleman say what reply has been given to their application for representation on the governing body of this fund?

Sir H. YOUNG: I should require notice of that question.

35. **Sir ROBERT HAMILTON** asked the Minister of Health whether he can place a copy of the present scheme under which the Royal Seamen's Pension Fund is being administered in the Library of the House of Commons?

Sir H. YOUNG: Yes, Sir.

RATES.

36. **Mr. JOHN MORRIS** asked the Minister of Health the aggregate value of a 1d. rate levied on the total rateable value of all local authorities in England and Wales?

Sir H. YOUNG: The estimated product of a penny rate if levied on the total rateable value of all rateable properties in England and Wales for the current financial year is £1,055,574.

Sir JOSEPH NALL: Does that include the value of property exempted under the de-rating scheme?

Sir H. YOUNG: No. It refers only to actual rateable property.

LOCAL EXPENDITURE (PUBLIC ASSISTANCE).

37. **Mr. J. MORRIS** asked the Minister of Health the total public assistance expenditure of all local authorities in England and Wales, including all expenditure on transferred Poor Law services, for the last available year?

Sir H. YOUNG: The total expenditure under the Poor Law Acts in the year ending the 31st March, 1931, was £38,561,000 on revenue account and £798,000 on capital account.

Mr. MORRIS: Is the right hon. Gentleman aware that an average rate poundage of approximately 3s. 3d. levied over the whole of England and Wales would cover the entire cost of public assistance? That being so, does he not think that equalisation of this kind——

Mr. SPEAKER: The hon. Member is giving information.

38. **Mr. MORRIS** asked the Minister of Health whether, in view of the large increase in expenditure for public assistance in England and Wales, particularly in industrial areas, he is prepared to introduce immediately legislation for the purpose of equalising the burden over the whole country?

Sir H. YOUNG: No, Sir. The issues raised by the question are receiving consideration by the Government in connection with the report of the Royal Commission on Unemployment Insurance.

Mr. MORRIS: Has the right hon. Gentleman given consideration to the scheme formulated by the Mayor of Salford, a copy of which was sent to him by the Salford Corporation?

Sir H. YOUNG: Yes, Sir, and those representations will be taken into consideration.

Mr. MORRIS: Owing to the unsatisfactory nature of the reply, I beg to give notice that I shall raise this matter on the Adjournment.

44. **Mr. BATEY** (*for* **Mr. E. WILLIAMS)** asked the Minister of Health, in view of the fact that 14.1 per cent. of the inhabitants of Lincoln are in receipt of public assistance, what special steps, if any, are being taken to deal with the situation in that city?

Sir H. YOUNG: The figure quoted by the hon. Member relates to the 31st December, 1932. The corresponding figure for the 25th February, 1933 (the latest available), is 8.2, and I understand that special steps are being taken by the council to review the situation in respect of public assistance administration.

FLOODS.

39. **Mr. T. WILLIAMS** asked the Minister of Health the estimated total cost to the Bentley Council and the West Riding Public Assistance Committee due to the floods which occurred in 1931 and 1932?

Sir H. YOUNG: I am informed by the urban district council that in addition to the cost of making good damage to their property for which no figure can be given the expenses incurred by them in respect of the floods of September, 1931, and May, 1932, were approximately £1,000 and £2,873, respectively, and by the county council that the expenditure on public assistance was approximately £33 and £50, respectively.

47. **Mr. WILLIAMS** asked the Minister of Health what national assistance, if any, is to be made available for tenants of houses in the Bentley area who have been evicted from their houses three times in the last 18 months on account of floods?

Sir H. YOUNG: There are no funds at my disposal from which financial assistance could be rendered in the regrettable emergency referred to by the hon. Member. The inspectors of the Ministry have been in close touch with the situation, and the reports which I have received from them show that the sufferers are being assisted and the needs of the situation are being met locally, so far as they can be met, with the active co-operation of the county council. The hon. Member is no doubt aware of the legislative provision in course of being made for improved drainage organisation in the area.

Mr. WILLIAMS: Is the right hon. Gentleman not aware that, although public subscriptions were obtained in September, 1931, and in April, 1932, that is not possible in 1933, and does he not think that these sufferers ought to be assisted from some sources other than charitable sources, on their appeal?

Sir H. YOUNG: The reports which I have received from my inspectors on the spot are to the effect that all the immediate needs of the sufferers are being adequately met.

Mr. L. SMITH: In view of the constant flooding of this particular area, will the right hon. Gentleman consider either condemning these dwellings as unfit for habitation, or take vigorous steps to see that such flooding does not recur?

Sir H. YOUNG: The situation is, that the legislation now under consideration is calculated to deal with the situation.

Major COLFOX: Is it true that some of these houses were erected under Government-aided housing schemes?

56. **Mr. HALL-CAINE** asked the Minister of Agriculture whether the floods of the last few weeks have disclosed any remedial work which can be undertaken as a matter of emergency in order to provide employment and to protect the public against loss through inundations in future?

The MINISTER of AGRICULTURE and FISHERIES (Major Elliot): I do not think that the recent floods have disclosed any further developments in the general situation with regard to the need for the execution of drainage works. I would remind my hon. Friend that the responsibility for carrying out remedial works as suggested is upon local drainage authorities and is, of course, governed by financial and economic conditions. I may add that catchment boards set up under the Land Drainage Act, 1930, following a conference among themselves on 10th February last, have expressed their desire to submit their views to the Government, and it is hoped to fix an early meeting with them for this purpose.

Mr. WILLIAMS: May I ask whether, in view of recent floods, his reply of 14th July last still holds good, namely, that any catchment board confronted with a grave emergency may appeal to him with some degree of hope that financial assistance will be forthcoming?

Major ELLIOT: If they appeal to me, within the limits of the financial resources at my disposal, I shall do my best to meet them.

NATIONAL HEALTH INSURANCE.

42. **Mr. LECKIE** asked the Minister of Health whether he is aware that many insured persons, probably between 60,000 and 100,000, will cease to be entitled to medical benefit at the end of this year as a result of the passing of the last National Health Insurance Act; and what steps he proposes to take to ensure that these people shall receive medical attention when ill?

Sir H. YOUNG: A prolonged extension of insurance was granted under the National Health Insurance Acts to persons who have ceased to be employed and to pay contributions. After the further extension of title to medical benefit during 1933 given under the Act of last year, a number of persons will cease to be entitled to medical benefit on 31st December next. Within the financial resources of the Health Insurance scheme no further extension of insurance rights is permissible. These persons will, after the end of the present year, be in the same position with regard to medical attention during sickness as all other persons who are not within the scope of National Health Insurance.

PUBLIC HEALTH.

ENAMELLED WARE (ANTIMONY POISONING).

46. **Mr. HUTCHISON** asked the Minister of Health whether, in view of the cases of antimony poisoning reported from the use of cheap enamel ware in this country, he will lay down a standard of safe manufacture to which all leading British manufacturers shall be compelled to conform; and whether he will at the same time prohibit the importation of all foreign enamelled ware which does not fulfil the requirements above-mentioned?

Sir H. YOUNG: I have no power to lay down a standard such as is suggested. I am sending my hon. Friend a copy of a circular which I have recently issued on the subject.

MATERNAL MORTALITY RATE, LONDON.

41. **Mr. LEONARD** (*for* **Mr. THORNE**) asked the Minister of Health if he will give, for the latest possible year, the maternal mortality rates in the Metropolitan Boroughs and the City of London?

Sir H. YOUNG: The information asked for for the latest year for which figures are available, namely, 1931, will be found in Table 10 of the Registrar-General's Statistical Review for 1931 (Tables, Part I).

NATIONAL FINANCE.

BEER DUTY.

48. **Brigadier-General Sir HENRY CROFT** asked the Chancellor of the Exchequer if he can give a revised estimate of the yield of the Beer Duty, Customs and Excise, for the year ending 31st March next to compare with the last Budget estimate of £80,000,000; and, failing that, can he give the figure for 11 months?

The CHANCELLOR of the EXCHEQUER (Mr. Chamberlain): It is not the practice to give revised estimates of the receipt of duty during the course of the year, but the approximate yield for the eleven months to 28th February was £69,500,000.

EXPENDITURE (CHINA).

49. **Sir H. CROFT** asked the Chancellor of the Exchequer the total expenditure incurred by the British taxpayer owing to the disorders in China during the last six years classified under the following headings: military, naval, diplomatic, pensions and compensation?

Mr. CHAMBERLAIN: I regret that I have been unable to obtain the information desired by my hon. and gallant Friend as it is not possible to isolate the items of expenditure which should be attributed over the period he mentions to disorders in China.

Sir H. CROFT: Will it be possible for the facts to be ascertained from the

[Sir H. Croft.]
Admiralty and the War Office as to the very large figure for China during these years?

Mr. CHAMBERLAIN: I am afraid, although I will make inquiries, that it will be impossible to isolate the expenditure which is properly due to the disorders in China from the expenditure due to the general situation in the Far East.

Sterling Value.

50. **Colonel WEDGWOOD** asked the Chancellor of the Exchequer whether he is aware of the serious effect which the rise in the value of the £ sterling relative to the currency of other countries, notably of America, is having upon our export trade; and whether he intends to take any budgetary method of preventing this rise becoming permanent?

Mr. CHAMBERLAIN: The first part of the question appears to me to overstate the position but I am fully aware of the importance of watching the situation closely.

Colonel WEDGWOOD: Is there any possibility of the right hon. Gentleman taking budgetary steps to reduce the value of sterling?

Mr. CHAMBERLAIN: I have no such intention in my mind.

Mr. HERBERT WILLIAMS: Does the situation not show the disadvantage of what is called a managed currency?

Income Tax.

51. **Mr. LEONARD** asked the Chancellor of the Exchequer the number of claims admitted for repayment of tax deducted by limited companies from their shareholders; the number of shareholders in limited companies registered in Great Britain; the total amount repaid in respect of such claims and the total amount of the income on which tax is paid by the said companies; the number of persons paying tax upon interest on capital received from co-operative societies; the amount of tax paid and the sum on which tax is paid; the total amount of interest paid by co-operative societies registered under the Industrial and Provident Societies' Act; and the number of members of the said societies?

Mr. CHAMBERLAIN: I regret I am unable to supply any of the Income Tax statistics asked for by the hon. Member. The Inland Revenue Department deals with over 1,800,000 claims for repayment annually but these claims relate to all kinds of income that have been subject to tax and no records are kept which would show how many of these claims relate to dividends paid by companies. In the case of co-operative societies the interest paid is not subject to deduction of tax at the source but is assessed to Income Tax in the hands of the recipient if he is liable to Income Tax and no statistics are compiled showing the extent to which the interest in fact bears tax. With regard to the amount of interest paid by co-operative societies and the numbers of their members, I would refer the hon. Member to the report of the Chief Registrar of Friendly Societies for 1931 (Part 3, Section 2).

IRISH RACEHORSE (CUSTOMS DUTY).

55. **Mr. BERNAYS** asked the Financial Secretary to the Treasury whether he is now in a position to state whether the proper duty has been collected on the horse Royal Ransom; and whether he is satisfied that no attempt was made to induce Customs officials to accept a fictitious valuation for this animal?

The FINANCIAL SECRETARY to the TREASURY (Mr. Hore-Belisha): Yes, Sir. The full duty on this animal has been secured. I have made very full inquiry but I can find no foundation for any suggestion that any corrupt offer was made to any Customs official in connection with this affair.

Mr. de ROTHSCHILD: Will the Financial Secretary state whether this duty was paid in one sum or in two sums, and how much time elapsed between the first payment and the second payment of the complementary part of the duty?

Mr. HORE-BELISHA: I do not know whether I heard my hon. Friend rightly. Did he ask me whether there was a delay in the payment?

Mr. de ROTHSCHILD: I asked whether there was a first payment made when the horse was brought into this country and a second payment made some time afterwards, when the Treasury discovered that an inadequate payment had been made the first time?

Mr. HORE-BELISHA: Yes, Sir.

Mr. de ROTHSCHILD: Does not that show that there was some collusion between the sender in Ireland and the recipient in this country, and will the Treasury make further inquiries into the matter?

Mr. HORE-BELISHA: I do not know whether it necessarily proves that, but I can assure my hon. Friend that not only have I made full inquiries, but that inquiries are still proceeding.

ELECTRICITY SUPPLY, EAST RIDING.

61. **Major CARVER** asked the Minister of Transport what progress is being made to establish the supply of electricity for lighting and power in the rural districts of Howden, Riccall and Pocklington, in the East Riding of Yorkshire?

Lieut.-Colonel HEADLAM: Howden and Riccall are both within the area of the North Lincolnshire and Howdenshire District Company, whose statutory powers only became operative in January of this year. Pocklington is in the area of the Buckrose Light and Power Company, whose powers became operative in May, 1931. I am taking steps to ascertain the actual progress made by the companies and will then communicate with my hon. and gallant Friend.

AGRICULTURE (BACON IMPORTS).

57. **Sir DOUGLAS NEWTON** asked the Minister of Agriculture whether he can give any further information with regard to the negotiations with representatives of foreign countries exporting bacon to the United Kingdom for the continuance of the voluntary scheme for regulating bacon imports into this country?

Major ELLIOT: Following the recent negotiations with representatives of the chief bacon exporting countries, shipments of bacon and hams to this country during the month ending 22nd March will, as far as practicable, be limited to quantities, particulars of which I will circulate in the OFFICIAL REPORT. The figures include adjustments to meet seasonal fluctuations. The negotiations are continuing in respect of shipments for the remaining three months of the period ending 22nd June, which is under review.

Mr. T. WILLIAMS: May I ask whether the Government of Canada had been asked with regard to their imports of bacon?

Major ELLIOT: That question should be addressed to the Secretary of State for Dominion Affairs.

Sir D. NEWTON: Is the Minister of Agriculture aware that much anxiety has been felt among agriculturists in regard to this matter and that the announcement made will be received with much satisfaction by them?

Following are the quantities:

	Cwt.
Argentine	5,900
Denmark	493,300
Estonia	7,000
Finland	4,300
Latvia	4,000
Lithuania	39,000
Netherlands	80,300
Poland	79,500
Sweden	37,600
United States of America	51,500
Union of Socialist Soviet Republics	4,000

TRADE AND COMMERCE.

DENMARK.

62. **Mr. PIKE** asked the President of the Board of Trade the total value of goods imported into Great Britain from Denmark for the year ended 31st December, 1932, and the total value of purchases by Denmark of goods manufactured in Great Britain during the same period?

The PARLIAMENTARY SECRETARY to the BOARD of TRADE (Dr. Burgin): As stated in the issue of the "Accounts relating to Trade and Navigation of the United Kingdom," for January last, the total declared value of merchandise imported into the United Kingdom during the year 1932 and consigned from Denmark (including Faroe Islands) amounted to £40,556,327. The exports of the produce and manufactures of the United Kingdom consigned to that country during the same year amounted to £9,860,499.

Captain DOWER: May I ask what steps the Government are taking to right this terrific adverse balance of trade with Denmark?

Dr. BURGIN: They are conducting trade negotiations with Denmark for that purpose.

Mr. HANNON: Is this amazing difference in the figures between imports and exports constantly before the Danish delegation throughout these negotiations?

Dr. BURGIN: Yes, and not only that, but the great discrepancy to which the hon. Member refers is considerably less than it was in the year 1930-31.

Mr. T. WILLIAMS: Is it not the case that Denmark in many instances would purchase direct from this country but for the regulations of European cartels?

Mr. O'CONNOR: May I ask whether a portion of this disparity in the balance of trade is not due to the action of Imperial Chemical Industries in co-operation with the Bank of England in forcing Denmark to buy from Germany fertilisers which she would prefer to buy from this country?

Dr. BURGIN: I was not aware of either suggestion.

WIRE MATTRESSES (IMPORTS).

63. **Mr. SMEDLEY CROOKE** asked the President of the Board of Trade the value of the imports into this country of wire mattresses for the 12 months ended 28th February, 1933, or the latest date for which figures are available; and how these figures compare with the years 1931-32 and 1930-31?

Dr. BURGIN: The total declared value of wire mattresses imported into the United Kingdom during the years ended January, 1930, 1931 and 1932 amounted to £18,999, £6,130 and £2,824, respectively.

COTTON INDUSTRY (CEYLON).

70. **Sir JOHN HASLAM** asked the Secretary of State for the Colonies if he is aware that in 1929 Ceylon purchased from this country 31,554,000 square yards of cotton cloth, but in 1932 only 16,656,000 square yards; that during the same period we advanced our purchases of tea from Ceylon from 153,095,000 lbs. to 172,302,000 lbs. and that we are the best customers for Ceylon tea; and whether he will approach the Ceylon Government with a view to the inclusion of cotton cloth in the list of commodities on which imperial preference is granted?

The SECRETARY of STATE for the COLONIES (Sir Philip Cunliffe-Lister): I am aware of the trade position indicated by my hon. Friend. A preference of 10 per cent. on cotton piece-goods was included in the preference proposals recently submitted by the Ceylon Board of Ministers to the State Council, but this item was rejected by the Council. I at once expressed to the Governor my great concern at this omission; the text of my telegram was issued to the Press in a notice of the 6th of February, of which I am sending my hon. Friend a copy.

Sir J. HASLAM: Will the right hon. Gentleman continue to press this Administration and point out to them that we allow 50 per cent. in the case of tea?

Sir P. CUNLIFFE-LISTER: I have made that position very clear already.

Sir J. NALL: What steps is my right hon. Friend taking to adjust this perfectly ridiculous position in connection with Ceylon tea? Will he take steps to amend the Constitution under which this is done?

SCOTLAND.

LAND SETTLEMENT, HARRIS.

64. **Mr. KIRKWOOD** asked the Secretary of State for Scotland whether he has considered the further applications from landless men in Harris for settlement in the Borve deer forest; and whether he has now acquired this forest for land settlement?

The SECRETARY of STATE for SCOTLAND (Sir Godfrey Collins): I am aware that four new applications have recently been received by the Department of Agriculture for Scotland. As indicated in the reply given to the hon. Member on 8th December last the question of the acquisition of Borve has been the subject of discussion with the proprietor, but the matter has not yet reached a stage at which I can make any statement.

Sir M. WOOD: Can the Secretary of State confirm the report that there has been a good deal of raiding in this district and that men at the present time are in possession of land which they have seized?

Sir G. COLLINS: I have seen that statement in certain papers.

Sir M. WOOD: Can the right hon. Gentleman deny the report?

Mr. KIRKWOOD: Arising from the original reply, will the right hon. Gentleman hurry on the negotiations as these men have either to find a means of earning a livelihood or be faced with starvation, because there is nothing for them but to work on the land? There is no other employment. This is the Outer Hebrides.

Sir G. COLLINS: I am making further inquiries into the matter referred to in the question, and I will communicate with the hon. Member at an early date. In reply to the hon. Member for Banff (Sir M. Wood), if he will put a question on the Paper, I will give him a specific answer.

GLASGOW CORPORATION (INQUIRY).

65. **Mr. McGOVERN** asked the Secretary of State for Scotland if he has reviewed the evidence in the recent bribery trial in Glasgow High Court; and if he is able now to announce the setting up of a judicial inquiry?

66. **Mr. LEONARD** asked the Secretary of State for Scotland if, in view of the resolutions he has received from the Glasgow Labour party and other public bodies supporting the request of the Glasgow Corporation for a committee of inquiry to investigate the allegations of graft now prevalent, he is now prepared to make a pronouncement as to the Government's decision?

Sir G. COLLINS: With regard to these questions I propose, with Mr. Speaker's permission, to make a statement at the end of Questions.

At the end of Questions——

Sir G. COLLINS: I desire, with your permission, Sir, to read a statement to the House, and I apologise for its length. I have given careful consideration, in consultation with my right hon. Friend the Lord Advocate, to the matter referred to in the questions put to me by the hon. Members for Shettleston (Mr. McGovern) and St. Rollox (Mr. Leonard), which has also been the subject of representations to me by the Corporation of Glasgow and by other bodies. The proposal is that certain allegations of corruption in connection with the administration of affairs by the Corporation of Glasgow should be inquired into by a tribunal appointed under the Tribunals of Inquiry (Evidence) Act, 1921. As hon. Members are no doubt aware, the Act referred to requires that the subject of inquiry must be a definite matter of urgent public importance. When a similar question relating to Glasgow was before the Government in 1930, it was then decided that the allegations were not sufficiently definite to warrant procedure under the Act.

In view, however, of the recent criminal proceedings, and the disclosures in connection therewith, I think, and my right hon. Friend the Lord Advocate so advises me, that the circumstances are now materially different and there is now a matter sufficiently definite to fall within the scope of the Act and to be susceptible of investigation by a tribunal set up under it. I therefore propose, at any early date, to take the steps necessary to set up such a tribunal which will necessitate the passing of resolutions in this House and in another place. The tribunal, of course, must be dependent upon the evidence laid before it, and I would take this opportunity of expressing very strongly that a public duty rests upon those who are in a position to give evidence relevant to the subject of inquiry to tender such evidence to the tribunal. In this connection and for the information of those who may be concerned, I would point out that, under the provisions of the Tribunals of Inquiry (Evidence) Act, 1921, a witness before any such tribunal is entitled to the same immunities and privileges as if he were a witness before the High Court or the Court of Session. That means that the witness enjoys an absolute privilege in giving evidence so that he cannot be subjected to any action of damages for slander in respect of any statement made by him in the witness box in the course of his evidence which is relevant to the subject matter of the inquiry, and also that he is not bound in the witness box to answer any question tending to in-

[Sir G. Collins.]
criminate himself. With regard to this last point, I am authorised by my right hon. Friend the Lord Advocate to say that, in the circumstances of the present case and with a view to removing any obstacle to the fullest investigation of the matters to be referred, he feels justified in intimating that any person, other than a member of the Corporation of Glasgow, who gives evidence before the tribunal, which may involve an admission that he has committed or been implicated in any way in a criminal offence relating to the matters being investigated, will not be prosecuted for such criminal offence but will be regarded as being in the same position as a person who has been called as King's evidence by the Crown in a criminal trial. That means that, by the giving of such evidence the witness will automatically be discharged from all liability to prosecution.

Mr. LEONARD: May I ask the right hon. Gentleman if the field of this inquiry will be sufficiently extensive as to go outside the terms of the Resolution passed by the Corporation limiting the inquiry simply to the matter?

Sir G. COLLINS: My hon. Friend will see the terms of reference to this tribunal when they are on the Order Paper.

Mr. McGOVERN: While thanking the right hon. Gentleman for his very full statement, I would ask him if he can give us some indication at this moment as to the composition of this tribunal and as to where the sittings of the tribunal will take place?

Sir G. COLLINS: I am at present considering the composition of this Committee, and it may take a little time to set up. In all probability, this Committee will sit in Glasgow, but the specific place is not yet settled.

Mr. McGOVERN: Can the right hon. Gentleman answer as to whether the sittings will be private or public?

Sir G. COLLINS: That, I think, would be best left to the judgment of the Committee which we shall set up.

SALMON FISHERY.

67. **Lieut.-Colonel MOORE** asked the Secretary of State for Scotland whether it is his intention to take any action and, if so, of what nature, in connection with the artificial hatching of salmon in Scottish rivers, as recommended in the recent Report of the Committee on the Artificial Propagation of Salmon?

Sir G. COLLINS: In the present circumstances of financial stringency, it has not been possible to pursue the question of carrying out the experiments suggested in the report to which my hon. and gallant Friend refers; but the matter will be reconsidered when conditions are more favourable.

HOUSE OF COMMONS.

CHARLES BRADLAUGH (MEMORIAL).

69. **Colonel WEDGWOOD** asked the First Commissioner of Works whether he will consider favourably a proposal to erect within the precincts of the House a tablet or other memorial to Charles Bradlaugh, formerly Member for Northampton, the centenary of whose birth is being celebrated this year?

The FIRST COMMISSIONER of WORKS (Mr. Ormsby-Gore): I could not entertain the idea of a memorial to Bradlaugh involving any charge upon public funds. If any person or persons are desirous of presenting such a memorial, it would be necessary to follow the recognised procedure as regards statues, busts, or other memorials in the House of Commons—a copy of which I am sending to my right hon. Friend.

Colonel WEDGWOOD: Would my right hon. Friend consider receiving a deputation on this matter from those who are interested in broadening the bounds of freedom in this House?

Mr. ORMSBY-GORE: Honestly I do not see the point in receiving a deputation, as it is very strictly laid down that we can only put up memorials at the public expense as the result of a specific Vote of the House, and, in regard to the presentation of a memorial, there is recognised procedure, in which the Whips of each party are consulted, then the Royal Fine Art Commission, and then the Lord Great Chamberlain and myself.

Colonel WEDGWOOD: And the Bishops?

Mr. MAXTON: Can any Member of the House receive a copy of those rules and regulations?

Mr. ORMSBY-GORE: Certainly.

Mr. MAXTON: May I have one?

TELEPHONE CABINETS.

72. **Mr. PIKE** asked the Postmaster-General if he will state the total number of telephone kiosks erected or installed in the House of Commons during the Christmas Recess; and if he will state the total cost of such installations?

The ASSISTANT POSTMASTER-GENERAL (Sir Ernest Bennett): As a result of strong complaint made by hon. Members regarding a number of the existing telephone cabinets, arrangements were made to reconstruct 18 cabinets at a total direct cost of about £800. No additional cabinets were installed.

Mr. PIKE: Is the hon. Gentleman aware that London newspapers have stated that during the Christmas Recess no fewer than 50 kiosks were erected at an average cost of £90 each?

Sir E. BENNETT: I saw the statement in the Press.

COAL INDUSTRY (OVERTIME, KENT).

71. **Mr. LAWSON** asked the Secretary for Mines if he can state the number of men and boys who were at work on the last four week-ends ending 26th February in the Snowdown, Betteshanger, and Chislet Collieries, Kent; whether he will give the numbers for each colliery; and whether any worked more than eight hours, and the number, if any?

The SECRETARY for MINES (Mr. Ernest Brown): I would refer the hon. Member to the answer which I gave yesterday to the hon. Member for Don Valley (Mr. T. Williams) regarding the publication of information relating to individual undertakings. If the hon. Member has reason to think that overtime has been worked illegally at any of these pits, I will have inquiries made.

Mr. LAWSON: Will the hon. Gentleman have inquiries made into this case, and will he give serious attention to the strong complaints made about the only too common overtime that is being worked in the mining areas?

Mr. BROWN: I shall be very glad to consult my hon. Friend on the matter.

Mr. PIKE: Will the Minister refrain from making inquiries until someone makes a definite charge?

Mr. BROWN: That is why I said I would consult with my hon. Friend.

GOVERNMENT DEPARTMENTS (WAR OFFICE).

73. **Mr. GRAHAM WHITE** asked the Financial Secretary to the War Office the number of machines employed in the work of the Army Pay Department; and if the mechanisation of this Department is now complete?

The FINANCIAL SECRETARY to the WAR OFFICE (Mr. Duff Cooper): Each regimental pay office at home and the larger pay offices overseas are in possession of embossing and printing machines. In addition there are adding and listing machines in all pay offices in which the bulk of the work justifies their use. The total figure is about 75.

74. **Mr. WHITE** asked the Financial Secretary to the War Office the total personnel of the War Office, including the financial staff at out-stations, and also the corresponding figure in March, 1914?

Mr. COOPER: The total personnel of the War Office, including the financial staff at out-stations, temporary typists, messengers, cleaners, etc., for the financial year 1933 will be 2,246. The corresponding number for 1914 is 1,878.

75. **Mr. WHITE** asked the Financial Secretary to the War Office the total personnel of the civilian finance branch at the War Office; and what proportion of the personnel have had actual experience of working conditions in the out-stations?

Mr. COOPER: The total civilian personnel of the financial staff at the War Office shown on page 223 of the Army Estimates for the financial year 1933 is 264. I am unable at such short notice to state the number who have had actual experience in the out-stations, as this information could only be obtained by an examination of the records of the whole of the personnel.

BRITISH ARMY (HOUSEHOLD CAVALRY).

76. **Mr. TINKER** asked the Financial Secretary to the War Office the cost of the two Household Cavalry regiments for 1932?

Mr. COOPER: The approximate annual effective cost of the two Household Cavalry regiments is estimated to be £158,000.

JAPAN (BRITISH AIRCRAFT).

77. **Mr. MANDER** asked the Secretary of State for Foreign Affairs whether the embargo on the export of arms to the Far East will affect the Air Ministry licences granted last year for the manufacture of British aircraft in Japan?

The LORD PRESIDENT of the COUNCIL (Mr. Baldwin) (*for* Sir J. SIMON): The embargo does not affect the manufacture of aircraft in Japan.

ALIENS.

22. **Mr. DORAN** asked the Home Secretary if, in view of the present situation in Germany, he will take steps to prevent any alien Jews entering this country from Germany?

Sir J. GILMOUR: It is not within the contemplation of the law that there should be discrimination against aliens on grounds of religious belief or racial origin, but there are adequate powers under the Aliens Order to protect this country from any undesirable influx of aliens, and, as I stated in reply to a question by the right hon. and gallant Member for Newcastle-under-Lyme (Colonel Wedgwood) on 21st February, the principle on which this Order is administered is that the interests of this country must predominate over other considerations.

Mr. BUCHANAN: May I raise a point of Order about this question? I hope that I am not too sensitive, but I wish to ask if the phrase "alien Jews" in the question is a proper phrase to use in this connection, seeing that the question relates to aliens generally; and, may I also ask, is the phrase "alien Jews" not an offensive phrase to use of people who are represented here?

Mr. DORAN: May I say that this question was accepted by Mr. Speaker?

Mr. SPEAKER: I see no objection to the question.

Mr. HANNON: May I ask the right hon. Gentleman whether he will make it perfectly clear to the House that no disability of any kind will be imposed on any immigrant coming into this country on account of his religion?

Sir J. GILMOUR: Yes, Sir. Each case is considered on its merits.

Mr. DORAN: Is the right hon. Gentleman aware that hundreds of thousands of Jews are now leaving Germany and scurrying from there to this country, and that other countries are closed against them; and is the right hon. Gentleman also aware that, as regards the Aliens Act, you can drive a carriage-and-pair through it and that aliens are coming here, on three months' and six months' leave in order to get naturalisation?

Mr. BUCHANAN: Can the right hon. Gentleman give the House quite certainly to understand that, whatever restrictions are applied, Jews will not be separated out for special treatment and repression?

Sir J. GILMOUR: Yes, Sir, certainly. There is no differentiation in these cases. Each is judged on its merits.

Mr. DORAN: May I ask the right hon. Gentleman, seeing that the original question is mine: Are we prepared in this country to allow aliens to come in here from every country while we have 3,000,000 unemployed? If you are asking for a von Hitler in this country, we will soon get one.

GERMANY (BRITISH INDIAN SUBJECTS).

Mr. ATTLEE (*by Private Notice*) asked the Secretary of State for Foreign Affairs whether his attention has been drawn to a report that two British Indian subjects, Mr. Naidu and Mr. Nambian, have been arrested in Germany, and whether immediate inquiry will be made into the matter?

Mr. BALDWIN (*for* Sir JOHN SIMON): The answer to the first part of the hon. and gallant Member's question is in the affirmative. As regards the second part, His Majesty's Ambassador is already in communication with the competent German authorities, and has learnt unofficially that Mr. Naidu has now been released.

BUSINESS OF THE HOUSE.

Mr. LANSBURY: May I ask the Lord President of the Council what the business for next week will be, and how far he intends to go to-night if the Motion on the Paper dealing with the Sittings of the House is carried?

Mr. BALDWIN: The business for next week will be:

Monday, Second Reading, Agricultural Marketing Bill, and Committee stage of the necessary Financial Resolution.

On Tuesday and Thursday, it is proposed to move Mr. Speaker out of the Chair on going into Committee of Supply on the Air and Navy Estimates respectively, and to consider the essential Votes in Committee.

Tuesday: Air Estimates, 1933, Votes A, 1, 4, 3 and 8.

Thursday: Navy Estimates, 1933, Votes A, 1, 10 and 2.

On any day, if there is time, other Orders will be taken.

During the week the Government hope to make further progress with the Local Government (General Exchequer Contributions) Bill and to consider Motions to approve the Additional Import Duties (No. 1) Order, 1933, and the Scottish Raspberries Marketing Scheme.

Private Members' business will be taken on Wednesday and Friday.

Mr. LANSBURY: What about to-night?

Mr. BALDWIN: We hope to get the first three Orders.

Mr. LANSBURY: With regard to the business to-night, may I call the right hon. Gentleman's attention to the fact that there may be a rather prolonged discussion on the Visiting Forces (British Commonwealth) Bill? There is a number of Members who feel very strongly that a very vital principle is involved in that Bill. May I also call attention to the fact, as I am sure the right hon. Gentleman would agree, that the Agricultural Marketing Bill is a Bill of the size and importance that usually warrant two days' discussion? I think it is rather out of the ordinary course of business to ask us to take the Financial Resolution the same night, and I will ask the right hon. Gentleman to reconsider that decision. Then I want to give notice that we propose to negotiate through the usual channels as to whether it will not be possible to take the Additional Import Duties (No. 1) Order, 1933, and the Scottish Raspberries Marketing Scheme some time before Eleven o'Clock at night. They are rather important.

Mr. BALDWIN: With regard to the two points which the right hon. Gentleman has put, I think we are not unreasonable and we are quite willing to give consideration to them. At any rate, so far as to-night is concerned, we have no intention of sitting up if there is really a general desire to discuss the Third Reading.

Mr. MAXTON: Do I understand the right hon. Gentleman to say that he is not averse to considering the request of the Leader of the Opposition for an additional day on the Agricultural Marketing Bill, because I wish to associate myself with the Leader of the Opposition in that demand? Agriculture at any time calls for a large amount of discussion in this House from Members who do not frequently take part, but, in addition, this Bill, if our reading of it is correct, is very wide and far-reaching, and other hon. Members, who do not normally take part in agricultural Debates, will want to participate. I support very strongly the point of view of the Leader of the Opposition that one day cannot be regarded as sufficient for this important Measure.

Mr. BALDWIN: The hon. Member generally understands so clearly that possibly I did not make myself clear just now. What I said deserved consideration was the request of the Leader of the Opposition that we should not push the passage of the Financial Resolution on the same evening as the Second Reading. That, I think, is quite worthy of consideration.

Mr. HANNON: Can my right hon. Friend say whether any date has yet been fixed for the Committee stage of the Rent and Mortgage Interest Restrictions (Amendment) Bill?

Mr. BALDWIN: No.

Mr. MAXTON: Do I understand that there is no possibility of getting a second day for the Second Reading of the Agricultural Marketing Bill?

Mr. LANSBURY: I understand that when we come to the Financial Resolution we shall really, if we get the extra time for that, continue the discussion.

Mr. MAXTON: The Leader of the Opposition knows very well—better than most—how very difficult it is to discuss the big, broad, general principles on a Financial Resolution and to keep within the order of the House. The Second Reading is the appropriate stage for a full general Debate on the whole position of agriculture and the way proposed in the Bill to meet the situation. It is a matter of first Governmental importance. This is no second-rate Bill. It is the biggest ——[HON. MEMBERS: "Hear, hear!"] I do not want that to be misinterpreted. This is one of the big items of Government policy, and I am asking the Leader of the House if he will not grant us a second day for its discussion.

Sir HERBERT SAMUEL: I should like to support the suggestion made that this Bill is so large a Bill and raises so many questions of important policy that there ought to be two days for a full discussion. It might be possible that one part of the second day might be devoted to the Financial Resolution.

Mr. BALDWIN: Careful consideration will be given to the allocation of time for the Second Reading and the Financial Resolution.

Colonel GRETTON: Does that mean that my right hon. Friend anticipates that the Debate on the Financial Resolution will be as wide—and that we can then discuss the whole question of policy and detail—as on the Second Reading?

Mr. BALDWIN: No. As my right hon. and gallant Friend knows, that is within the competence of the Chair, and I cannot answer that question.

Colonel GRETTON: Then may I ask you, Mr. Speaker?

Mr. SPEAKER: That is entirely outside my province.

Mr. MAXTON: In my attempt to get at the responsible party, do I understand that if we approach the Chief Patronage Secretary through the usual channels there will be an allocation of two days as between the Second Reading and the Financial Resolution?

Mr. BALDWIN: The hon. Member is not growing in his capacity for understanding. I suggest that discussion should take place between the various parties as to what will be the best allocation of time as between the two stages, and I cannot say anything more at the moment.

Mr. MANDER: May I ask whether this means a change in the business already set down for Tuesday next?

Mr. BALDWIN: No—that, I can say.

Motion made, and Question put,

"That the Proceedings on Government Business be exempted, at this day's Sitting, from the provisions of the Standing Order (Sittings of the House)."—[*Mr. Baldwin.*]

The House divided: Ayes, 287; Noes, 33.

Division No. 77.] AYES. [4.0 p.m.

Adams, Samuel Vyvyan T. (Leeds, W.)
Agnew, Lieut.-Com. P. G.
Aitchison, Rt. Hon. Craigie M.
Albery, Irving James
Allen, William (Stoke-on-Trent)
Amery, Rt. Hon. Leopold C. M. S.
Aske, Sir Robert William
Astor, Maj. Hn. John J. (Kent, Dover)
Baillie, Sir Adrian W. M.
Baldwin, Rt. Hon. Stanley
Baldwin-Webb, Colonel J.
Balniel, Lord
Banks, Sir Reginald Mitchell
Barclay-Harvey, C. M.
Beauchamp, Sir Brograve Campbell
Beaumont, Hn. R. E. B. (Portsm'th, C.)
Beit, Sir Alfred L.
Benn, Sir Arthur Shirley
Bennett, Capt. Sir Ernest Nathaniel
Bernays, Robert
Betterton, Rt. Hon. Sir Henry B.
Birchall, Major Sir John Dearman
Bird, Sir Robert B. (Wolverh'pton W.)
Blaker, Sir Reginald
Borodale, Viscount
Bossom, A. C.
Boulton, W. W.
Bower, Lieut.-Com. Robert Tatton
Bowyer, Capt. Sir George E. W.
Boyd-Carpenter, Sir Archibald
Brass, Captain Sir William
Briscoe, Capt. Richard George
Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Col. D. C. (N'th'l'd, Hexham)
Browne, Captain A. C.
Buchan-Hepburn, P. G. T.
Burgin, Dr. Edward Leslie
Burnett, John George
Cadogan, Hon. Edward
Caine, G. R. Hall-
Campbell, Edward Taswell (Bromley)
Campbell, Vice-Admiral G. (Burnley)
Campbell-Johnston, Malcolm
Carver, Major William H.
Castlereagh, Viscount
Castle Stewart, Earl
Cayzer, Sir Charles (Chester, City)
Cazalet, Thelma (Islington, E.)
Chamberlain, Rt. Hon. N. (Edgbaston)
Chapman, Col. R. (Houghton-le-Spring)
Chorlton, Alan Ernest Leofric
Christie, James Archibald
Clarke, Frank
Clarry, Reginald George
Clayton, Dr. George C.
Cobb, Sir Cyril
Cochrane, Commander Hon. A. D.
Colfox, Major William Philip
Collins, Rt. Hon. Sir Godfrey

Conant, R. J. E.
Cook, Thomas A.
Cooke, Douglas
Cooper, A. Duff
Copeland, Ida
Craddock, Sir Reginald Henry
Croft, Brigadier-General Sir H.
Crooke, J. Smedley
Crookshank, Col. C. de Windt (Bootle)
Crookshank, Capt. H. C. (Gainsb'ro)
Cross, R. H.
Crossley, A. C.
Cruddas, Lieut.-Colonel Bernard
Culverwell, Cyril Tom
Curry, A. C.
Davison, Sir William Henry
Denman, Hon. R. D.
Denville, Alfred
Donner, P. W.
Doran, Edward
Dower, Captain A. V. G.
Drewe, Cedric
Dugdale, Captain Thomas Lionel
Duggan, Hubert John
Duncan, James A. L. (Kensington, N.)
Dunglass, Lord
Elliot, Major Rt. Hon. Walter E.
Ellis, Sir R. Geoffrey
Elmley, Viscount
Emrys-Evans, P. V.
Erskine, Lord (Weston-super-Mare)
Evans, Capt. Ernest (Welsh Univ.)
Everard, W. Lindsay
Falle, Sir Bertram G.
Fleming, Edward Lascelles
Flint, Abraham John
Foot, Dingle (Dundee)
Forestier-Walker, Sir Leolin
Fox, Sir Gifford
Fremantle, Sir Francis
Gault, Lieut.-Col. A. Hamilton
Gilmour, Lt.-Col. Rt. Hon. Sir John
Glossop, C. W. H.
Glyn, Major Ralph G. C.
Goff, Sir Park
Goodman, Colonel Albert W.
Gower, Sir Robert
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Granville, Edgar
Grattan-Doyle, Sir Nicholas
Grimston, R. V.
Guinness, Thomas L. E. B.
Gunston, Captain D. W.
Guy, J. C. Morrison
Hacking, Rt. Hon. Douglas H
Hamilton, Sir George (Ilford)
Hamilton, Sir R.W.(Orkney & Z'tl'nd)
Hanley, Dennis A.
Hannon, Patrick Joseph Henry
Harbord, Arthur
Hartington, Marquess of
Hartland, George A.
Harvey, Major S. E. (Devon, Totnes)
Headlam, Lieut.-Col. Cuthbert M.
Heilgers, Captain F. F. A.
Henderson, Sir Vivian L. (Chelmsford)
Heneage, Lieut.-Colonel Arthur P.
Herbert, Capt. S. (Abbey Division)
Hills, Major Rt. Hon. John Waller
Hope, Capt. Hon. A. O. J. (Aston)
Hopkinson, Austin
Hore-Belisha, Leslie
Hornby, Frank
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M. (Hackney, N.)
Hudson, Robert Spear (Southport)
Hume, Sir George Hopwood

Hunter, Dr. Joseph (Dumfries)
Hurd, Sir Percy
Hutchison, W. D. (Essex, Romf'd)
Jackson, Sir Henry (Wandsworth, C.)
Jamieson, Douglas
Jones, Lewis (Swansea, West)
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Kimball, Lawrence
Kirkpatrick, William M.
Knebworth, Viscount
Knight, Holford
Knox, Sir Alfred
Latham, Sir Herbert Paul
Law, Sir Alfred
Leckie, J. A.
Leighton, Major B. E. P.
Levy, Thomas
Lindsay, Noel Ker
Llewellyn-Jones, Frederick
Locker-Lampson, Rt. Hn. G. (Wd.Gr'n)
Lockwood, John C. (Hackney, C.)
Loder, Captain J. de Vere
Lovat-Fraser, James Alexander
Lumley, Captain Lawrence R.
Mabane, William
MacAndrew, Capt. J. O. (Ayr)
Macdonald, Capt. P. D. (I. of W.)
McKeag, William
McKie, John Hamilton
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Macpherson, Rt. Hon. Sir Ian
Magnay, Thomas
Maitland, Adam
Makins, Brigadier-General Ernest
Mander, Geoffrey le M.
Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. R.
Marsden, Commander Arthur
Martin, Thomas B.
Mason, Col. Glyn K. (Croydon, N.)
Mayhew, Lieut.-Colonel John
Milne, Charles
Mitchell, Harold P.(Br'tf'd & Chisw'k)
Mitchell, Sir W. Lane (Streatham)
Molson, A. Hugh Elsdale
Moore, Lt.-Col. Thomas C. R. (Ayr)
Morris, John Patrick (Salford, N.)
Morris-Jones, Dr. J. H. (Denbigh)
Moss, Captain H. J.
Muirhead, Major A. J.
Munro, Patrick
Nall, Sir Joseph
Nation, Brigadier-General J. J. H.
Newton, Sir Douglas George C.
Nicholson, Godfrey (Morpeth)
Nicholson, Rt. Hn. W. G. (Petersf'ld)
North, Captain Edward T.
O'Connor, Terence James
Ormsby-Gore, Rt. Hon. William G. A.
Palmer, Francis Noel
Patrick, Colin M.
Pearson, William G.
Peat, Charles U.
Perkins, Walter R. D.
Petherick, M.
Pickford, Hon. Mary Ada
Pike, Cecil F.
Powell, Lieut.-Col. Evelyn G. H.
Pownall, Sir Assheton
Pybus, Percy John
Raikes, Henry V. A. M.
Ramsay, Capt. A. H. M. (Midlothian)
Ramsbotham, Herwald
Ramsden, Sir Eugene
Ray, Sir William

Rea, Walter Russell
Reed, Arthur C. (Exeter)
Reid, James S. C. (Stirling)
Roberts, Aled (Wrexham)
Roberts, Sir Samuel (Ecclesall)
Robinson, John Roland
Ropner, Colonel L.
Rosbotham, Sir Samuel
Ross, Ronald D.
Ross Taylor, Walter (Woodbridge)
Ruggles-Brise, Colonel E. A.
Runge, Norah Cecil
Russell, Richard John (Eddisbury)
Salmon, Sir Isidore
Samuel, Sir Arthur Michael (F'nham)
Samuel, Rt. Hon. Sir H. (Darwen)
Sandeman, Sir A. N. Stewart
Sanderson, Sir Frank Barnard
Sassoon, Rt. Hon. Sir Philip A. G. D.
Savery, Samuel Servington
Selley, Harry R.
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Skelton, Archibald Noel
Smith, Bracewell (Dulwich)
Smith, Louis W. (Sheffield, Hallam)
Smith-Carington, Neville W.
Smithers, Waldron
Soper, Richard
Southby, Commander Archibald R. J.
Spears, Brigadier-General Edward L.
Spencer, Captain Richard A.
Spender-Clay, Rt. Hon. Herbert H.
Stanley, Lord (Lancaster, Fylde)
Stanley, Hon. O. F. G. (Westmorland)
Stevenson, James
Stewart, J. H. (Fife, E.)
Stones, James
Stourton, Hon. John J.
Strickland, Captain W. F.
Stuart, Lord C. Crichton-
Sueter, Rear-Admiral Murray F.
Sugden, Sir Wilfrid Hart
Summersby, Charles H.
Templeton, William P.
Thomas, Rt. Hon. J. H. (Derby)
Thomas, James P. L. (Hereford)
Titchfield, Major the Marquess of
Touche, Gordon Cosmo
Train, John
Tryon, Rt. Hon. George Clement
Vaughan-Morgan, Sir Kenyon
Wallace, Captain D. E. (Hornsey)
Ward, Lt.-Col. Sir A. L. (Hull)
Ward, Irene Mary Bewick (Wallsend)
Ward, Sarah Adelaide (Cannock)
Warrender, Sir Victor A. G.
Waterhouse, Captain Charles
Watt, Captain George Steven H.
Wedderburn, Henry James Scrymgeour-
Wells, Sydney Richard
Weymouth, Viscount
White, Henry Graham
Whiteside, Borras Noel H.
Williams, Charles (Devon, Torquay)
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Windsor-Clive, Lieut.-Colonel George
Winterton, Rt. Hon. Earl
Womersley, Walter James
Wood, Sir Murdoch McKenzie (Banff)
Worthington, Dr. John V.
Young, Rt. Hon. Sir Hilton (S'v'oaks)

TELLERS FOR THE AYES.—Sir Frederick Thomson and Sir George Penny.

NOES.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Batey, Joseph
Buchanan, George

Cape, Thomas
Cocks, Frederick Seymour
Cove, William G.
Cripps, Sir Stafford

Daggar, George
Davies, David L. (Pontypridd)
Davies, Rhys John (Westhoughton)
Edwards, Charles

George, Major G. Lloyd (Pembroke)
Hall, George H. (Merthyr Tydvil)
Hicks, Ernest George
Hirst, George Henry
Jones, Morgan (Caerphilly)
Kirkwood, David
Lansbury, Rt. Hon. George
Lawson, John James
Leonard, William
Logan, David Gilbert
Lunn, William
McEntee, Valentine L.
McGovern, John
Maclean, Neil (Glasgow, Govan)
Maxton, James
Parkinson, John Allen
Price, Gabriel
Tinker, John Joseph
Williams, David (Swansea, East)
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE NOES—
Mr. G. Macdonald and Mr. Groves.

WRITTEN ANSWERS.

PERFORMING ANIMALS.

Mr. D. GRENFELL asked the Home Secretary whether he will consider introducing legislation on the lines of the Performing Animals (Regulation) Amendment Bill which passed, in all its stages, in another place in March, 1930?

Sir J. GILMOUR: I can hold out no hope of legislation on this subject at the present time.

PRISON OFFICERS (RETIREMENT).

Sir W. WAYLAND asked the Home Secretary what is the approximate additional cost when a prison officer is compelled to retire on pension otherwise than through ill health at the age of 55 instead of 60 and reaching his maximum rate of pay, taking into account the superannuation allowances of the retired officer and the pay and allowances of a newly-appointed officer in his place; the number of prison officers who have been retired compulsorily during the five years ending 31st December last; and the total additional cost?

Sir J. GILMOUR: The number of officers of all ranks who during the five years ended 31st December last retired between the ages of 55 and 60 was 322; the number of officers of the lowest rank included in that number is 162. It is impossible, without examination of the individual record in each case, to say how many of these officers retired on medical grounds, how many exercised their option under the Superannuation (Prison Officers) Act to retire before reaching the age of 60, and how many were given notice to retire by the Prison Commissioners before reaching the age of 60. The considerations involved in assessing the average cost involved in an individual case of retirement and the total cost over the five-year period are so complex that it would be impossible without an inordinate amount of work to arrive at a figure which would approximate to accuracy.

PERSISTENT OFFENDERS.

Sir V. HENDERSON asked the Home Secretary if he proposes to introduce legislation to carry out the recommendations of the Persistent Offenders Committee?

Sir J. GILMOUR: This matter is under consideration, but I am not in a position to make any statement on the subject at the present time.

NARCOTIC DRUGS CONVENTION, (RATIFICATION).

Mr. MANDER asked the Home Secretary when the Government propose to ratify the Convention for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs, 1931?

Sir J. GILMOUR: It is the intention of His Majesty's Government to ratify the Convention before the date contemplated in the Convention, namely, 13th April, 1933.

UNEMPLOYMENT.

Transitional Payments.

Sir G. HURST asked the Minister of Health how the practice by which the Manchester public assistance committee ignores 25 per cent., instead of 50 per cent., of a man's disability pension up to a maximum of 6s. compares with that of other great English cities acting under the Transitional Payments (Determination of Need) Act; and how much expenditure per year in Manchester is involved in this variation?

Sir H. YOUNG: A public assistance authority which decides to adopt the rule laid down on this subject in Section 1 of the Act cited by my hon. Friend treats a disability pension in all cases as if it were reduced by one-half. Of the 83 county boroughs, 24 have decided to adopt this rule. I am not aware of the yearly expenditure involved.

JUVENILES (INSTRUCTION).

Miss CAZALET asked the Minister of Labour the number of juveniles between the ages of 16 and 18 at present unemployed; the total number of juvenile instructional centres and courses provided in the country; the maximum number of juveniles which these will accommodate; and the number of juveniles between the ages stated actually in attendance?

Sir H. BETTERTON: On 20th February there were 76,093 insured juveniles between the ages of 16 and 18 registered for employment at the Employment Exchanges and Juvenile Employment Bureaux in Great Britain. 174 junior instruction centres and junior instruction classes were in operation at the end of February; in addition, juvenile claimants were attending at 581 existing educational institutions as a condition for the receipt of unemployment benefit. Generally speaking, centres have sufficient accommodation to admit all juvenile claimants to benefit in the area and all other unemployed juveniles who are willing to attend voluntarily. It is estimated that at the end of February there were about 20,700 juveniles between the ages of 16 and 18 in attendance.

ROAD FUND (IRISH FREE STATE).

Mr. THORNE asked the Secretary of State for Dominion Affairs the outstanding amount due to the Irish Free State from the Road Fund; and if he will state the reasons why it has not been paid?

Mr. THOMAS: The position in relation to the Irish Free State claim to a share of the Road Fund was dealt with at the conference between representatives of the United Kingdom and of the Irish Free State in October last when the previous arrangement to submit the matter to arbitration was confirmed. There has since been no change in the position.

FLOODS, DON VALLEY.

Mr. T. WILLIAMS asked the Minister of Agriculture whether consideration has been given to the advisability of granting assistance from national funds to small farmers in the Don Valley area whose crops have been destroyed in three successive seasons on account of floods; and what is the present position of this matter?

Major ELLIOT: I sympathise very deeply with the farmers and others who have suffered as the result of the floods in the Don Valley and elsewhere, but I regret that I am unable to hold out any hope of financial assistance from the State towards meeting any losses that they have sustained.

NEW SCHOOL, COUNTY DURHAM.

Colonel CHAPMAN asked the Parliamentary Secretary to the Board of Education on what date was the approval of the Board given for the erection of new schools on the road between Curley Crooks and Boldon colliery, county Durham; what was the approved cost, the contract price, the name of the contractor, the date upon which the work was commenced, the amount expended to date, and when is it estimated the schools will be completed and occupied; what is the accommodation of the new schools; from what areas are the children to be drawn; what is the elementary school population in the areas; what schools at present exist and their accommodation; and what schools, if any, are to be closed when the new schools are completed and occupied?

Mr. RAMSBOTHAM: Plans for the erection of a new school for 520 children on the site named were approved on 18th August, 1929. Owing to the growth of the local population and in order to facilitate a reorganisation which would group in the new school the senior children from the provided elementary schools in the area, fresh plans for a school of 720 children were approved in June, 1931. The authority were, however, asked to reconsider the proposal in view of the financial crisis in September, 1931, and revised plans for a school to accommodate 640 children were approved on 13th November, 1931. The estimated cost of the school as originally planned was £17,000, and the lowest tender, under a direct labour scheme, was £15,981. The cost of the revised lay-out, finally approved in November, 1931, was £29,430, based upon the schedule rates of the original direct labour scheme tender. The work was commenced in January, 1931; a sum of £26,416 has been expended up to date, and it is anticipated that the school will be completed and occupied by the end of April, 1933. The accommodation of the school is 640, 320 senior boys and 320 senior girls, drawn from Whiteleas, East Boldon, Boldon Colliery and Boldon. The elementary school population in this area is 2,141. The public elementary schools at present in the area and their present recognised accommodation are:

—	Accommodation.			
	Mixed.	Boys.	Girls.	Infants.
Boldon Colliery Council	—	550	500	332
East Boldon Council	228	—	—	126
Boldon Whiteleas Council	204	—	—	48
Boldon Church of England	160	—	—	40

The boys' department of the Boldon Colliery school is on the Board's black list. As the new school is intended primarily to meet the growth of population and avoid overcrowding, it is not anticipated that any of these schools are to be closed when the new school is completed and occupied, but the opportunity will be taken to reassess the accommodation in accordance with modern standards, and the provision of the new school will enable the senior children to be concentrated in sufficient numbers to have suitable alternative courses of instruction for the last three years of their school life and adequate provision for practical instruction in the case of both boys and girls.

HOUSING (SCOTLAND).

Mr. ANSTRUTHER-GRAY asked the Secretary of State for Scotland which local authorities have now adopted schemes on the lines recommended by the Consultative Council with regard to ensuring that State-aided houses are reserved as far as possible for the working classes?

Sir G. COLLINS: So far as I am aware, no local authority has yet adopted a scheme of the nature referred to. A circular endorsing the recommendations of the Consultative Council was issued by the Department of Health for Scotland on 3rd February to all local authorities, who were asked to inform the Department of the action which they proposed to take. No intimation of specific action has yet been received, and the local authorities are being reminded on the matter.

WORLD ECONOMIC CONFERENCE.

Mr. HEPWORTH asked the Prime Minister if he can now make any further statement as to the British representatives at the World Economic Conference and, in addition, who are the experts who will be attached to these representatives, indicating the trades they will represent?

Mr. BALDWIN: I am not yet in a position to make any statement on this matter.

NATIONAL FINANCE.

ENTERTAINMENTS DUTY (TRADE EXHIBITIONS).

Mr. RUTHERFORD asked the Financial Secretary to the Treasury in what circumstances and upon what occasions exemption from Entertainments Duty is granted to trade exhibitions by his Department?

Mr. HORE-BELISHA: I would refer my hon. Friend to Section 11 of the Finance Act, 1923, as amended by Section 7 of the Finance Act, 1924, which sets out the conditions under which trade exhibitions may be exempted from Entertainments Duty.

MOTOR VEHICLES (TAXATION).

Mr. D. G. SOMERVILLE asked the Chancellor of the Exchequer (1) whether his attention has been called to the recommendations contained in the Report of the National Transportation Committee of the United States to the effect that in the taxation of transport only such taxes should be levied as are just and will not handicap free competition; and whether he will follow a similar policy in any changes in the taxation of road vehicles in the forthcoming Budget?

(2) Whether he is aware that the recent Report of the American Joint Committee of Railroads and Highways Users recommends that motor vehicles should contribute in taxation the entire cost of the state highway system of 328,000 miles, but only a part of the cost of local roads, amounting to over 3,000,000 miles; and whether he will be guided by similar principles in making any alteration in the existing taxation of motor vehicles in this country?

Mr. CHAMBERLAIN: As regards the first parts of the questions, I am aware of the reports to which my hon. Friend refers. As regards the second parts, I must ask him to await the Budget statement.

VATICAN (BRITISH MINISTER).

Captain CROOKSHANK asked the Secretary of State for Foreign Affairs whether, in view of the appointment of a Minister to the Vatican, he will say if all the matters of recent controversy have been settled to the satisfaction of His Majesty's Government; and, if so, on what lines?

Mr. BALDWIN: I am happy to say that there are no longer any subjects of controversy at issue between His Majesty's Government and the Holy See. It is hoped that the appointment of a Minister will facilitate the early settlement of any questions which may still require treatment.

ORDERS OF THE DAY.

SUPPLY.

ARMY ESTIMATES, 1933.

MR. COOPER'S STATEMENT.

Order for Committee read.

4.10 p.m.

The FINANCIAL SECRETARY to the WAR OFFICE (Mr. Duff Cooper): I beg to move, "That Mr. Speaker do now leave the Chair."

A year ago, when it was my duty to introduce the Army Estimates before the House of Commons, I warned hon. Members that those Estimates were the Estimates for an exceptional year, that they must not be taken as the standard to which any future Estimates could be expected to conform, and that we were making that year economies which could be justified solely by the financial position of the country. I added that those economies were made with great misgiving that they were made to the detriment of the efficiency of the forces, that in one particular respect we would save nearly £1,000,000 on one item which we would have to replace in the coming year; and that we saw no prospect of saving it in any other direction. It is, therefore, with a clear conscience that I now bring to the House of Commons Estimates which show an increase over those of last year of £1,462,000. I do not suppose there is any pacifist, however extreme his views may be—and those who hold extreme views do sometimes advance very curious sentiments—who would say that it is a sound method of proceeding towards Disarmament to render such armaments as you retain inefficient.

It is not necessary to apologise for or to defend the size of the British Army as it exists to-day. I do not think that it has ever been seriously criticised either in this House or elsewhere. According to ex-President Hoover's estimate, the British Army is insufficient at present to carry out merely the police duties for which it is responsible in the British Empire, and if the size of the British Army is justified, then nobody can criticise those who spend such money as is necessary to render that Army efficient. Economies which detract from the efficiency of the Army are obviously false economies, and I do not suppose that any hon. Members opposite will criticise us for introducing these Estimates this year, when they remember that two years ago, when a Socialist Government had been in office for two years, when the international horizon was certainly no more cloudy than it is to-day, they introduced in this House Estimates which were defended by the then Socialist War Minister, Mr. Tom Shaw, on the ground that they had been cut down to the lowest possible point, and which were £2,000,000 higher than those we are introducing to-day. The increased expenditure does not represent any augmentation whatever in the establishment of the British Army, in the scale of munitions or in preparations for war. It is simply to replace the cuts which were made last year in face of the danger of national bankruptcy which was then thought—and rightly thought—to be even a greater danger than that of having inefficient fighting services.

As the House is aware, the principal economy last year and the principal increase this year is connected with the Territorial camps. Last year it was decided that we would ask the Territorial Army to forgo for one year their annual camps, and it was realised at the time that we were asking a very great sacrifice on their part. That sacrifice was made cheerfully and without complaint. I am able to say that this year we are making full provision once again for the Territorial Army to hold their camps in the ordinary manner, and this decision has cost the Army Estimates approximately £900,000. I should like to take this opportunity to repeat the tribute that I paid last year to the Territorial Army for the way in which they took that decision. It was asking a great deal of them, and they accepted it without demur and without complaint. I am glad to say that during the year nearly every unit of the Territorial Army, owing to the enthusiasm of all ranks and their unselfishness and willingness to make sacrifices, was able to hold a camp for a few days during the summer months. These camps were often undertaken at great inconvenience to the members of the units concerned and very often at considerable expense to the officers and others.

They were assisted by the Regular Army officially, and sometimes, I think, unofficially. The Regular Army in the districts did everything they could to help and to lend anything they could lend to make the temporary voluntary camps a great success. They were a great success. In some instances where tents were not forthcoming, the Territorials camped in barracks alongside the Regulars, and I am sure that both forces benefited by the closer acquaintance. The Territorials obviously learned a great deal in discipline and training from the Regulars, and the Regulars perhaps acquired something in enthusiasm from the Territorials. I am very glad that this trial, as it were, of the enthusiasm and loyalty of the Territorial Army has taken place, and that it withstood the trial so well. There have been few complaints, and at the end of it the Territorial Army is as enthusiastic as it was before.

Great sacrifice was also demanded from the Officers Training Corps. They were deprived of their camps, but they also have maintained their high standard of efficiency. At the beginning of this year we had a conference at the Staff College, at which were present the headmasters of the principal schools of England, and we discussed with them the future of the junior branch of the Officers Training Corps which is represented in all their schools. I was much interested to hear the views of the headmasters as to the value of the Officers Training Corps simply from the point of view of the schools and the importance that they attached to it. We were very glad to be able to assure them that we equally attached the greatest importance to the Officers Training Corps, that it did not exist solely for the pleasure or profit or interest of the schools themselves, but that it performed an invaluable service of furnishing officers for the Regular and Territorial Armies, and that in any emergency, for which we at the War Office would be responsible, we would be able to rely on the important support which that branch of the Officers Training Corps could give us.

It was foreseen when the decision was taken not to hold camps last year that it was bound to affect adversely recruiting for the Territorial Army. After all, the main attraction of the Territorial Army for years has been their annual camps, and when they saw the camps abolished and that it was uncertain whether they would be revived, it was difficult for them to keep recruiting up to the normal standard. It fell off 12,000 or 13,000 last year, and the numbers to-day are 35,000 below recruiting establishment. I do not think that we need be unduly alarmed with regard even to that figure. As soon as it was made known that the camps were to be resumed, an improvement was at once noticed in recruiting for the Territorial Army. That improvement has been maintained. I need hardly say that we are doing everything possible to encourage it. A special campaign is being conducted throughout the country. My Noble Friend the Under-Secretary of State for War and the Director-General of the Territorial Army have been addressing meetings which have been extremely successful. They have been held in every part of the country, and more are to be held in future to encourage recruiting for the Territorial Army.

I would like to take this occasion to make an appeal, and to ask hon. Members to take such opportunities as they may have to make a similar appeal, to employers of labour throughout the country. They can do so much to assist recruiting for the Territorial Army if they see that men who join that force are allowed to get away for the camps in summer, and are allowed to take their drill, and that allowance is made for them to undertake the duties that joining the Force imposes on them. I am sure that employers of labour who take the line of encouraging their men to join will be rewarded by finding that it does the men themselves a good deal of good; it does good to their health and their sense of discipline, and they come back from camp more ready for hard work, more prepared to throw their hearts and minds into it than when they went away. I am sure that Members throughout the House who are in touch with their constituencies can do a tremendous amount in that way to assist recruiting. One other direction in which it is hoped during this year to encourage recruiting is the proposal to hold a review in London of the London units of the Territorial Army. I hope that it will be found possible to hold the review in summer, but arrangements have not been completed, and it is impossible for me to say more about it.

[Mr. Cooper.]

As far as recruiting for the Regular Army is concerned, the year has been entirely satisfactory. The present numbers are not quite up to establishment. That is not owing to any shortage of recruits. We are expecting that more people will join the Colours this year than will leave, and that at the end of the year the situation will be entirely normal in every respect. Last year I informed the House that we were making serious cuts in the training of the Regular Army, and those cuts were made with greater misgivings than any other cuts, because it was felt that we were risking the efficiency of the first line of defence. This year we are giving the Army its normal and full training. That is also responsible for some slight increase in expenditure. It is intended to hold concentrations of two divisions and two cavalry brigades on Salisbury Plain in September, and of a division at Catterick. Two brigades of the 4th Division will be concentrated at Colchester, and another will be trained in Sussex; and all battalions of the Royal Tank Corps will be in training in co-operation with the other arms. It is a matter of great satisfaction to the General Staff that we have been able to make this arrangement this year, and I would again remind hon. Members that this is only the normal procedure and what the Army demands for average and ordinary efficiency, and that any increase of our Estimate in this respect does not show any change from the normal policy of the Army Council.

We have been able during the year to get on with the mechanisation of the Army. We have been able to assure ourselves that the light tractor, which has been adopted as the normal tractor for field artillery is, as it was believed to be, the correct machine to do that work, and we have been able to equip another field artillery brigade with this light tractor. Experiments are being made with a new four-wheeled vehicle which, it is suggested, is capable of doing all that the six-wheeled vehicle can do across country of the roughest kind. These experiments will prove of the greatest interest and importance in any future developments. Experiments have been going on for many years with regard to the Tank Corps. It has now been decided that light and medium tanks should be employed in combination, and therefore the tank battalions have been reorganised on that basis. A battalion will consist of a headquarters, three companies, each including medium and light tanks, and a fourth company of light tanks.

While speaking of mechanisation, I should like to inform the House of an interesting experiment which took place last year in North Africa. A convoy was formed of four vehicles to travel over a large district of country where they would encounter almost every difficulty which such vehicles would ever be expected or asked to encounter in any part of the world. It was composed of a 30 cwt. Crossley lorry six-wheeler, a 30 cwt. Commer lorry four-wheeler, a 15 cwt. Morris commercial van, and a nine horse power Riley car. They set out from Cairo in January last year and in 29 consecutive days covered 2,900 miles and reached their objective, Juba, near the Uganda border. The return journey was equally successful, and in all they covered 5,600 miles. They kept records of every delay and hindrance with which they met, and during the whole of the journey they were held up owing to mechanical defects for only three hours 50 minutes. The greatest credit is due to the men who were in charge of the convoy, namely, four officers and five non-commissioned officers.

It is a very remarkable record if you think of cars of that kind of calibre and weight travelling over every kind of ground—desert, swamp, fen and moor—without any possibility of resorting to workshops, and carrying it out so satisfactorily. During the whole time not one of the vehicles suffered from any major mechanical defect and none broke down. That shows three things. It shows that these particular vehicles can do that which is of the greatest military importance; that we are on the right lines in our development of mechanical transport; and that these cars are admirably fitted for every kind of Dominion and Colonial use. I hope that full publicity is given to this experiment, and it is largely up to the manufacturers of the cars concerned to give that publicity for it will materially assist the export of British motor cars. We are arranging for a very similar one over an even more arduous course to be undertaken during the present year, and I hope the results will be equally satisfactory.

Last year I had to report many distressing features with regard to the conditions in which the troops were housed. I am glad to say we have been able to remedy the major defects in this respect, and that we have, by the judicious expenditure of such funds as we have at our disposal, rendered the various barracks and huts in which the troops are lodged more habitable than they were. This also has cost money, and there remains, as there does in every department, a great deal still to be done. But what we have done has produced satisfactory results, because during this year the health of the troops has been better than in the past, which is something to boast of in a year in which there has been so much illness among the civilian population. Not only the health, but the discipline of the troops has improved during the year, for although the strength of nearly every battalion increased the number of courts-martial, the number of convictions and sentences of imprisonment and detention has diminished considerably.

Perhaps some hon. Members have been disturbed, either in their military or in their aesthetic sense—I have had complaints made to me personally—by reports which have reached them, or illustrations they have seen in the Press, of a new uniform which it is stated the troops are to wear in the future. I can assure the House that there is at any rate no immediate cause for alarm in this respect. A committee was set up some months ago to inquire into the question of the uniform worn by the troops on active service, and to see whether anything could be done in order to render it more comfortable, lighter and more suitable generally for the purposes for which it was designed. That committee has reached some provisional conclusions only, and, in pursuance of these conclusions, a certain number of troops have been furnished with a new type of uniform which will be thoroughly tested during the manoeuvres this year. If as a result of that test they are convinced that these reforms are justified and are desirable, then it will be for them to report to the Army Council, and for the Army Council and the other authorities concerned finally to decide whether this reform is desirable, or, if not, whether any reform at all is desirable in this matter.

While on the subject of clothing, I would remind hon. Members that a year ago I informed them of the decision to close down the Army Clothing Factory at Pimlico, and I then said that it had been decided, pending the result of an experiment which was to be tried, to carry on for a short time the manufacture of full dress at the factory—until we could be sure whether it was possible to obtain satisfactory full dress from the trade. The experiments which have been conducted have resulted in our being able to decide that the trade is perfectly qualified to furnish this form of uniform, and therefore it is not intended to set up any alternative factory. I always thought it would not be a wise policy to create a Government factory for such a limited purpose, and I am very glad that the trade have assisted us in these experiments to such an extent that we are now confident that the trade will in future be able to furnish all that we require, and that a very substantial saving will accrue to Government funds as a result.

Vocational training has gone on in a remarkably satisfactory way. I think that during the past year some 2,203 men have passed through these vocational training centres, of whom 1,706, representing 77 per cent., have gone straight from those centres into employment. Those are the figures up to the 30th September last year. Taking the last four years together, the average of those who have gone straight from the training centres to employment is a little higher; and, when we recall the unemployment during the past year, I think those figures alone entirely justify the existence of these centres. Of the remaining 23 per cent., we are not by any means sure that they have not subsequently found employment, but it is impossible, unfortunately, to keep in touch with everybody who leaves these centres. Certainly it is to be hoped that at least a large proportion of the remaining 23 per cent. subsequently found employment. I would like to see these vocational training centres used more than they are. I would like to see more men apply to go through them. The number of men who go into them from the Army is not yet satisfactory. I hope that during the coming

[Mr. Cooper.]

year something will be done by officers and by any other agency that is practicable to encourage men to go from the Army into the training centres, because there is nothing more distasteful to anybody who cares for the Army than to think of men, after seven years or more of service in the Army, in which they have done their very best, going straight from that Army to join that melancholy, tragic army of the unemployed.

During this year many small Departmental economies have been made, which are hardly worth mentioning to the House to-day, but which do show the continued efforts of the War Office and the Army Council to save money wherever it can be saved. We are always on the look-out for any possible saving, both with a view to the advantage which thereby accrues to the State and the advantage which accrues to the Army, because if we can save money in one direction we may be allowed—though one is never sure that that will be the case—to spend it in another. I assure hon. Members that very careful consideration is given to every proposal for economy which is put forward. To give an instance, we have gone carefully into the proposals submitted by certain Members of this House who put up a list of proposals for economies throughout the Government service. Some of them have been adopted and some have been partly adopted, and even those which have not been adopted have not been dismissed, for we are still prepared to consider them and are thinking over them. The difficulty in these matters is, very often, that they involve in their inception certain capital expenditure, and schemes which, though they may result in final economy, would probably increase expenditure during the current year, are the kind of schemes which people who are forming Estimates are always inclined to put off to the year that is coming.

Throughout all these proposals, throughout the recommendations of the Private Members Commitee which went into the question of economy, throughout the proposals of all the committees, from the Geddes Committee to the May Committee, there has been an underlying suggestion that more might be done by greater amalgamation, by greater co-ordination, between the Fighting Services. I am fully convinced that there is a great deal of truth in that suggestion, though I would remind hon. Members that a great deal has already been done in that direction. Ever since the War reforms have been introduced with a view to securing greater co-ordination. We have, for instance, a contracts co-ordination committee, which does a great deal to see that there is no unnecessary competition between the three Fighting Services in the matter of contracts. We have also done a great deal of co-ordination in such matters as hospitals, chaplaincy services, education, research and experiment and supply services generally, and, while I should be the last to say that there is not more to be done in this direction, I assure hon. Members that the War Office are fully alive to the importance of this avenue of approach towards economy, and that we are pursuing that particular objective as much as it is possible to do so at present. We shall entertain with the greatest interest and greatest sympathy any suggestions which may be made in this Debate, or at any other time, for securing economy upon these lines.

During the past year there has been one important change in the composition of the Army Council, and I am sure the House will join with me in offering a tribute to our late Chief of the Imperial General Staff, Lord Milne, who vacated his appointment a few weeks ago. He held that, the most important position in the British Army to-day, for seven years, under four different Administrations and under four different Secretaries of State. During the whole of the time great changes have been effected in the Army, and I think there are no critics who will deny that those changes have resulted in the greater efficiency of the Army. He was able to make successive Army Councils work together enthusiastically, and on the best of terms, as a team, and I am sure that hon. Members opposite who have had the privilege and the advantage, as I have had, of serving with him will join with me in offering him a tribute, and in assuring the House that the country has lost for the time being a great public servant and a very useful member of the War Office and the Army.

The Army during recent months has had even more irreparable losses to record. We have lost in a few months three distinguished Field-Marshals. In the summer Lord Plumer died. I am sure that there are throughout the British Empire British subjects who served under him during the War who will regret his death, who will feel that they have lost in him somebody who had become to them, during those arduous years, the symbol of confidence and of victory. He was one of the most popular and one of the most successful of those who held high command during those anxious years. In Lord Methuen we lost ont of our oldest Field-Marshals. He had done the State great service over many years. When the Field-Marshal was dying and had already lost the power of speech he asked for a piece of paper. Given writing materials, with his last effort he scrawled three words on that piece of paper: "Good-bye, Scots Guards." A facsimile of that message was given to every man in the regiment, and I am sure those pieces of paper will be treasured, not alone for many years but for many generations, as evidence of that spirit of comradeship and of regimental loyalty which pervades the British Army.

The last to go was Sir William Robertson, the best known perhaps of all. His career is one which might serve as an inspiration to any young man in any walk of life who is thinking of joining the Army. It is an evidence that even in these days, and in the days that went before, that high ideal, which was one of the ideals of the French Revolution, the career open to talent, does and can exist in the British Army. There was a man who started in the ranks and who ended as a Field-Marshal. His name is one which is almost a household word wherever British soldiers meet together. Like all old soldiers who have seen something of war and known the horrors of it, there was no more enthusiastic advocate for the cause of peace, and there was nobody who denounced war in stronger or more vigorous terms than the late Field-Marshal Sir William Robertson.

One of the proposals for economy, among other reforms, is that we should abolish the post of Field-Marshal. If we were to do that, we should save a few thousand pounds a year to the Revenue, but, in my opinion, that financial saving would not be worth what I would call the sentimental loss. When I say "sentimental" I am not using that word in a derogatory sense. I am not speaking of sentiment as something that is unreal and unimportant, for everybody knows that sentiment is one of the most powerful agencies in human life and is one of the strongest things in the world. The fact that to the last days of their lives the names of those three Field-Marshals of whom I have spoken were on the active list of the British Army was, I think, of real value and a real source of strength to the Army. To-day, the prizes that a military career offers are not too many and are not too glittering. We still want to persuade the best of our youth to join the Army. We still want to encourage the right and laudable ambition that they have to serve their country. I cannot help thinking that the knowledge that those rewards existed for the fortunate few who are at the summit of their career must have been of some importance in deciding young men whether they would adopt this noble profession or not.

I have given a short account of the fortunes of the Army during the past year, and of the prospects during the year that is to come. The Army has suffered during the past year, as have so many institutions and individuals, from the financial stringency of these days. The Army has borne those sufferings with exemplary patience and lack of complaint. It is now looking forward, as are so many other people and institutions, to the possibility of better times. I am sure that the House this afternoon, remembering the Army's performance in the past will send it a message of congratulation and encouragement.

4.50 p.m.

Mr. ATTLEE: I am sure that I shall be expressing the views of the whole House in congratulating the Financial Secretary to the War Office upon the admirable manner in which he has presented the Estimates, and upon the way in which he has made them interesting. It is not an easy thing to present Service Estimates to this House, or to prevent them from becoming a weary, dull recital of a number of disconnected points. The House is indebted to the hon. Gentleman for the extremely interesting statement that he has made. May I also, on behalf of my hon. Friends, echo what he said with regard to the service of Lord Milne, who has now retired from the General Staff. He was not at the War Office

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when I was there but, in common with everyone else, I knew of his very great services. I would also associate myself with what the Financial Secretary has said with regard to the distinguished Field-Marshals who have departed from us this year.

When I turn to the general question of these Estimates, the first thing that I am struck by is a certain omission. I read the Memorandum of the Secretary of State for War on the Army Estimates, and the Memorandum of the Secretary of State relating to the Air Estimates, and I noticed a difference. That difference is extended to the hon. Member's speech. In the Air Estimates, almost at the beginning there is a paragraph headed "Disarmament," with a discussion in regard to the policy of disarmament. There is no such paragraph in the Memorandum of the Secretary of State for War, and throughout the statement that the hon. Gentleman has made there was not a reference to the Disarmament Conference or to the discussions which have been going on at Geneva, either with regard to quantitative or qualitative disarmament. In fact, the whole of his speech might have taken place in a time before the League of Nations existed, and when no Disarmament Conference had ever been called.

The second point—I am afraid that I must just allude to it because others will no doubt do so—is one that we mention every year. One cannot consider Army Estimates apart from Air Estimates and Navy Estimates. Defence is a single question, and we never get a full discussion of defence questions in this House. The point that strikes one is that we have increases this year, considerable in the Army Estimates, large in the Navy Estimates and some, at all events, in the Air Estimates. We are told that last year was a very exceptional year, and that the Services all had to undergo certain cuts because of the very serious condition of this country. What surprised me was that apparently according to the hon. Gentleman that time is now passed. He asked us to send a hopeful message to the Army. I wondered where he has been these last few weeks, and where he has managed to get that spring of hope. Surely he has not got it from the Prime Minister, and I am sure he has not got it from the Chancellor of the Exchequer. I cannot think of any Minister who has spoken from the Government Bench but has been most pessimistic. I cannot see that conditions are in any way better than when the last Estimates were introduced; indeed, they are worse. The condition of the country is immeasurably worse. Unemployment is worse. It has been longer continued, and trade is worse. Yet we are told that it is time to re-establish expenditure on the Fighting Services. Again the Territorials can go to camp. Again we can make up all those Services that had to be cut last time. It shows a very extraordinary sense of values on the part of the Government.

I entirely agree that if you are to have an Army in being you cannot allow it to deteriorate, and you have to keep it up. [HON. MEMBERS: "Hear, hear!"] Yes, but that does not apply only to Army Estimates; the Government propose to continue the cuts in everything else. We can see deterioration going on visibly. We have had the figures with regard to the rejection of recruits. The Financial Secretary to the War Office is encouraging with regard to recruiting; naturally it is always encouraging to recruiting when there are unemployment and starvation. Unemployment, starvation and hard times are wonderful recruiting agents, only, unfortunately, they produce very inferior material. If you are looking at this thing from the wider point of view of defence, you will find that you are steadily going down, owing to the deterioration of the men of this country.

I was surprised therefore at that note of optimism, and I was also surprised to find that the Government are prepared to pay something like £900,000 to let the Territorials have this camp. We are told that the recruiting has fallen off. I gather that patriotic Britishers must have a camp, and that unless you give them something like a holiday-camp you cannot get them to serve. You are paying £900,000 to get these people to serve, and to keep the Territorial Army in good heart, when you could not find a paltry £40,000 for the people outside, ex-service men, Reservists and the like—an extraordinary mistake in values. I am not going to say very much about the question of the camps for the Territorials, as that will be raised later, on a definite Motion on the Territorial

Army, but I must say that I can see no justification whatever for putting on that sum for Territorial camps again. I do not believe that the absence of camps would kill the Territorial Army. [HON. MEMBERS: "Oh!"] I am surprised to hear that there is a note of dissent. Am I to understand that the Territorials are only holiday-serving soldiers, and that, unless they get a holiday-camp, they are not going to serve? I thought the Territorial was a patriotic person who made sacrifices.

Brigadier-General NATION: Anybody who has been to camp with the Territorials will know that it is not much of a holiday?

Mr. ATTLEE: I cannot settle the differences between the hon. Member and the Financial Secretary to the War Office, who used the word "holiday" and stressed that point. We shall find out about it at a later stage of the Debate. As at present advised, I am prepared to take the views of the Financial Secretary to the War Office, who has greater experience. I do not believe that there would be an absolute loss of the Territorial Army if you did not have this expenditure. It is grossly wasteful at the present time, if you cannot afford expenditure on other vital services. I do not associate myself for one moment with the school of parsimony that is ruling this country, but I say, if you have to choose between one and the other, that it is quite ridiculous to choose the Territorial camps.

The next point that I would make with regard to expenditure, before dealing with certain specific points, is on the general question of Army establishments. If one looks back over the Army Estimates, one does not find very much difference year by year in the allocation of men to different services and the amount spent on them, and I am wondering whether that question is being considered. Let me take one example. At the Geneva Disarmament Conference there was a discussion about tanks. I understand that propositions were made to abolish tanks altogether, and that we suggested Amendments which would keep our tanks all right—as is generally done when anybody of authority in the Fighting Services goes to make recommendations at Geneva. I wonder whether that discussion is reflected at all in these Estimates. As far as I can gather, the Tank Corps is to be reorganised. I should hardly have thought, if we were taking at all seriously the question of the abolition of tanks, that it would be worth while to carry on that reorganisation, and it rather suggests that the question was not taken very seriously.

Again, as regards the number of troops, one finds, as usual, that the largest body of troops are the infantry, and I wonder how far the whole question of infantry, artillery, tanks, and so forth is being considered in the light of modern warfare. I was reading the other day in a military periodical an article discussing the whole of that question. It would appear that almost all War Offices think that the next war will be like the last War. When we discussed in this House the subject of Disarmament, we had a striking speech from the Lord President of the Council. He stressed the importance of the Air Force, and we gathered from him that, whatever might happen to our brave lads overseas in the infantry, we who were keeping the home fires burning here, being over age, would be wiped out by the Air Force. There does not seem to me to be, in this series of Estimates that are presented to us, any particular recognition of the changed conditions that are likely in the event of war occurring again. Perhaps it will be said that we are not contemplating any further war, and that this is only what Mr. Hoover described as "a force insufficient for police duties within the Empire"; but I notice certain extra expenditures in the year's Estimates which are said to be due to preparations for mobilisation—Army Ordnance expenses and so forth. I should like to know whether those are merely routine preparations for mobilisation for police work within the Empire, or whether preparations are going on with a view to something larger in the way of war in the future.

I turn now to one or two points regarding the actual increase in the Estimates. I am sorry to observe that, wherever there is an increase, there seems to be an absence of notes on the pink sheets included in the Estimates. The first big increase, in connection with Territorial camps, has been explained. The next large one appears on page 187 of the Estimates—an increase in warlike stores. Guns and Carriages and Gun

[Mr. Attlee.]

Ammunition show very large increases, but there is no note as to why that is the case. When there is a decrease, we get an explanation. I should like to know what is the cause of this great increase in Guns and Carriages and Gun Ammunition. It may be merely a making up of short supplies last year, but I should like to know more details about it. Again, as regards the purchase of land, which is referred to on page 203, I note that there is an increase of £82,000, but that particular item is not mentioned in the notes. I should like to know where the land is, and what is the need for an increase.

There is a further increase of some size in regard to the Singapore defences. I should like the Minister, when he replies, to tell us what is the policy with regard to Singapore. I notice in the Navy Estimates a renewal of expenditure in regard to Singapore. I rather hesitate to speak too much on that question at the present time, but I should like to know whether we are going on with that base or not. I rather object, myself, to the way in which the Army is generally involved in expenditure on behalf of its sister Services, particularly for services for which there seems likely to be very little return. I remember that in my time we had to provide a good deal of auxiliary works of various kinds for air defence, but we have had it on the best authority, from the late Lord Privy Seal, that there is no such thing as air defence that is in the least effective. I objected at the time. I said that I did not believe very much in air defence, and I believe that many authorities at the War Office do not think there is much in it, but we were dragged in there. Now, apparently, the Singapore base is to be gone on with, and the Army is dragged in there also, to make certain defence preparations for the sister Service. I have never been in favour of the base myself. I should like some information as to the amount that is going to be expended on it, and what is actually going to be done in this present year. I see that we are going to spend £15,000.

I should also like to ask a question about Catterick camp, which is another item involving a good deal of expenditure. I notice that, while the original Estimate providing for troops at Catterick was £1,235,000, that has now gone up to £1,438,000. What is the reason for that increase, in view of the fall in costs; what is the total anticipated cost of the whole Catterick scheme; and when is it likely to be finished? I was there the other day, and saw as much of it as a heavy snowfall would allow. There had been a very great advance since I was there in 1924.

I should like to know whether in the course of the year there has really been a close review of the whole expenditure in these Estimates. We were told last year that the Army Estimates had been subjected to an all-over cut. I think that an all-over cut is an extraordinarily unscientific way of going to work. It may have been considered necessary when the Government were in a panic, but it is not good enough, if you really think there is a demand for economy, just to go back to what you were before. I should like to know whether the whole question is being overhauled. I raised a number of points last time, to which the Financial Secretary did not give me any reply at all. I should like to know whether consideration has been given to the question of the relative number of officers to other ranks. I raised that point last time, and I do not want to elaborate it, but in my view, owing to the superior education of the men in the ranks to-day, and the different type of warfare, the proportion of officers to men is too high. I should certainly like some information with regard to the War Office staff, which is still very high.

One finds that there is a cadre of officers, including the Regulars, the Permanent Staff, the Supplementary Reserve and the Territorials, numbering 7,640, and you have for their care 230 officers on the War Office staff, that is to say, one in 33. That seems to me to be an extraordinarily high proportion. It is no use the hon. Gentleman telling me that it was perhaps higher when I was at the War Office as Under-Secretary in 1924; that is not the point. Neither is it of any use to tell me that a similar number was approved by a previous Secretary of State, whether a Socialist or anyone else, because the House of Commons is not concerned with preserving a continuity of policy, particularly if it happens to be a continuity of a policy of mistakes, and I am far from claiming that mistakes are not made by Socialist Secretaries of State and Under-Secretaries. I should like an answer on the merits of the question. Again, as regards staffs of commands, where I admit there has been no increase, I am far from satisfied that we are not still overstaffed there, though certainly not as overstaffed as we were some 10 years ago.

Looking at these Estimates, and considering them, as we must, in connection with the Navy Estimates and the Air Estimates, while we may claim to have been more virtuous than any other Power, and to have brought down our Estimates, the fact remains that we have still an enormous burden of armaments. We are told that these merely represent police for the Empire. We shall hear next week the exact reason for the Air Force, and we shall be told that it is for the purpose of policing the Empire from the air; and we shall be told also that the Navy is only for police duties overseas. It seems to me to be an extremely heavy burden of police work. I should agree that the amount which we spend on the Army, the Navy, and the Air Force must depend on our policy, and that the extent to which it is possible to disarm must depend on world conditions; but I am far from satisfied that this country during the past year has really effectively pressed forward the cause of disarmament. I should be out of order if I tried to discuss the foreign policy of this country at Geneva, but I think that one must protest at the size of these Estimates, and at the increase which they show. We must remember that, owing partly to world conditions and partly to the policy of the Government, the general flow of wealth has steadily gone down and conditions are very bad. We are asked to carry these enormous sums, which we are told are an insurance. It is no good having such a heavy insurance as breaks your business. If you are going to be ruined in one way you may as well be ruined in another.

In our view there has been a failure to get adequate reductions in world armaments. That failure has been very largely caused by the fact that, whenever you come to discuss reductions of particular arms, you depend inevitably on the experts in those arms. You never have anyone going to Geneva with a clear idea of defence as a whole. Although we have a Committee of Imperial Defence—I should not underrate its work—you have still, in effect, these three services, largely in watertight compartments, working largely with separate policies, looking out on the world and looking at possible dangers not from exactly the angle of the defence of this country, but from the angle of the potential opponents to their particular arms. By this we get a maximum of expenditure and a minimum of security.

I should like, if it were possible, some time this year if we could have a discussion on the whole question of defence and the organisation of defence. Meanwhile I must express my regret that the Minister should get up in these days and make no reference whatever to the possibility of Disarmament and that at this time, when we are told that everyone has to economise, the Government should come forward with increased Estimates for the Fighting Services. We shall oppose the Motion on those grounds. We shall not vote against the particular Vote to-night. We shall leave that for the Report stage, on which we shall raise various points of detail. But we shall oppose this Vote on the ground that in these days, when appeals are made for economy, everyone can see that these actual increases in the Army Estimates are going to have an extremely bad effect throughout the whole country.

5.19 p.m.

Captain SIDNEY HERBERT: I should like to add my tribute of praise to my hon. Friend for the businesslike, clear and, indeed, brilliant way in which he has introduced these Estimates. The fact that he was able to do it without once consulting a note rendered me for the moment a little giddy. I recollect no such prodigious speech since I saw the late Mr. Bonar Law introduce a Budget with the help of nothing but an illegible wisp of paper from his waistcoat pocket. I cannot follow the hon. Gentleman who spoke last in his wish that the Financial Secretary should have made yet another of those pious aspirations towards Disarmament, which are quite useless unless you attempt to implement them. The Labour party still believes in a policy of gestures. A little of that has spread into our own party with those who deserted their party for ours. Gestures are helpful. If you take off your hat to a lady at one end of Bond Street, that may be an amiable and a helpful gesture.

[Captain Herbert.]

If you continue down the street repeating it, you may be considered foolish. If you continue it from one end of the street to the other, you will probably find yourself in gaol. This country has done far better than make gestures as far as the Army is concerned. Of all branches of the Services, the Army is the one which has the least of which to be afraid in its policy towards Disarmament, a policy which has set an example which no country in the world has seen fit to follow.

It is not of this, however, that I wish to speak, but of a very small and humble economy which, I am afraid, has been rejected by the Army Council more than once, but which I wish to press on the Financial Secretary, an economy which, so far from militating against the efficiency of the Army, would, I think, actually add to that efficiency. I refer to the proposal to amalgamate the Royal Military Academy at Woolwich with the Royal Military College at Sandhurst. At the Royal Military College, I understand, there are less than half the cadets that it could accommodate. If to-morrow you were to march the whole of the cadets now at Woolwich to Camberley, you could put them up comfortably without adding anything except, possibly, a new building for the staff, a few more houses for married officers and a few more parade grounds and playing-fields on land that belongs to the War Department. Think of the saving that you would get in overhead charges by combining them at one spot. In the first place, you would have only one major-general instead of two. Before the War it was thought possible for an officer of the rank of colonel to become a commandant as well at Sandhurst and at Woolwich. During the War a major-general was supposed to be able to command 20,000 men if he could get them. Since the War they think it takes two major-generals at Woolwich and Sandhurst to deal with 250 to 300 boys in each case. I do not think it would be a great stretch of such an officer's powers and abilities if he combined the opportunity of looking after 600 or 700 boys. Just as it would reduce the officers of that rank from two to one, so you could on the whole reduce the staff and the instructors generally. You could sell the site at Woolwich for a very large sum of money. It is an ideal site for the building of factories, with both land and water transport handy. It is not an ideal site for a training college. To start with, in time of war, it is at the point of maximum vulnerability that exists in the whole country.

So far from the economic point of view. From the efficiency point of view, there is a very great deal to be said. The main objectives of the British Army differ from those of any army in the world. They are, first of all, ability to meet, in its integral units and immediately, any menace that may occur in any part of the Britsh Empire and, secondly to form a *cadre* from which the existing Army could be pulled up to 10 times its strength in the shortest possible space of time. To achieve the second of these objects postulates that every officer ought, on the outbreak of war, to be capable of receiving promotion at least one or two ranks higher than that in which he finds himself at that time, and that he should be eligible for receiving that promotion not only in his own unit but in another branch of the Service. Most people will agree that it was an unpleasant surprise to find how few junior regular officers in the War knew anything at all of work outside their own unit or branch of the Service. I agree that that has been a good deal ameliorated by the fact that officers now do many more courses and have much longer attachments to other units, but there still remains a certain ignorance between branches of the British Army and there still remains, regrettably, a certain amount of jealousy between those branches. If you had candidates for all branches of the Army in one training establishment, trained on the same lines, meeting each other and making friends together, a great deal of those jealousies and prejudices would be overcome. It is quite erroneous to suppose that artillery officers, engineer officers, and so on, require a strictly specialised training because, if that were so, they would not accept, as they do, University candidates with open arms. Let us have a training which makes for much greater homogeneity in the Army, which abolishes prejudice, which gets these lads to meet each other when they are young, instead of waiting in the watertight compartments of their units until they get on to some staff job after the age of 30 so that they do not really understand the work of units other than their own.

I know the difficulties of getting such a measure through. The only argument against it is the argument of sentiment. The artillery and the engineers would be very loth to give up Woolwich. The Royal Corps of Signallers have been there a very short time. They are a comparatively young force and, like sailors, they do not care, but this is not a time, when regiments with such magnificent traditions have had to be disbanded, to give too much consideration to sentiment. I, therefore, beg my right hon. Friend in the course of the next year to press this beneficial economy forward and I hope, too, that the new Chief of the Imperial General Staff, another gunner by-the-by, whose fine record shows his good judgment, will not let his sentiment as a gunner overcome his wisdom as a soldier.

5.30 p.m.

Mr. GRAHAM WHITE: I would like to thank my hon. Friend the Financial Secretary to the War Office who introduced these Estimates for the very clear and interesting way in which he disclosed them to the House, and also to re-echo the feelings of sympathy which he expressed in regard to the losses which the Army sustained during the past year. We have heard much of what he has said to-day with very great satisfaction. He had much to tell us that was good with regard to the improved conditions of the housing of the troops, and those of us who represent industrial constituencies will have heard with great satisfaction of the progress that has been made in the vocational centres and of the extraordinarily fine results in placing men in occupations. We have all had cases brought to our notice in the past of men who, having left the Army with no occupation at their fingers' ends were consequently very much handicapped in obtaining work. The statement in regard to health and discipline was indeed encouraging and satisfactory.

I regret—I suppose that everybody in the House regrets—the fact that there is an increase in the Estimates, and that there should be a necessity for it. I associate myself with the suggestion which was made by the hon. Member for Limehouse (Mr. Attlee), that we should discuss in this House, at an early date, the subject of co-ordinating the defence forces of this country. There are many of us who feel that there might be economy and also efficiency to be derived if that matter were thoroughly explored. The Financial Secretary intimated that some of those aspects were under consideration and that some progress had been made. I would remind my hon. Friend the Member for Limehouse that if we are to have a discussion in this House, he and his friends are the only people who can arrange for it. It would be for them to take steps through the usual procedure of the House to have a discussion on those particular lines.

I do not wish to discuss any matters of broad policy, for Army Estimates take me to a line of country which I am not very competent to follow. I try in my interventions in discussions to confine myself, as far as possible, to a line of country through which I have some reasonable prospect of getting. I would draw the attention of the House—in fact my hon. Friend has already done so—to one or two circumstances which give rise to disquiet in connection with the financial control of the War Office. The hon. Member for Limehouse referred to the total staff and personnel of the War Office. I put down a question on that subject to-day, and I received an answer that the personnel was 2,246 this year in comparison with 1,878 in 1914. That question is always put on the day upon which the Army Estimates are introduced, and I imagine that the Department will be very much surprised if the question were not put. Last year it was put down by the hon. and gallant Member for Carlisle (Brigadier-General Spears), and Members who put it always use it as a peg on which to hang some observations with regard to the staff of the War Office upon which they require some explanation. We know that the Army in 1933 is a totally different proposition in every way from what it was in 1914. I am not an authority on these matters, but probably the Army to-day is as different from the Army of 1914 as the Army of 1914 was different from the Army of Wellington. If there has been a revolution in the objectives, equipment and control of the Army, there has been no less a revolution

[Mr. White.]
in office management and business control.

The fact that the personnel of the War Office stands to-day at 2,246, some 400 more than in 1914, is incredible to those who are conversant with up-to-date and first-class commercial practice. It is a thing which they find exceedingly difficult to understand. Although the character and objectives of the Army have altered, the work of the pay department and other departments remains the same. It is true that there have been additional services added to the War Office since the War, but in the bulk the character of the work is of the kind which lends itself freely to the development of mechanisation and the modern practice carried out in all large and up-to-date commercial institutions. I put another question to my hon. Friend to-day on the subject of the mechanisation of one particular department, and he told me that the number of adding and printing machines and the like employed was 75 I also asked whether the mechanisation was complete, and looking at the answer which I have since received I find that no answer was given to that question. Indeed, that was not necessary because the number of machines given indicated quite clearly that the process of mechanisation had not in fact been carried out.

There are many Government Departments which are fully mechanised in regard to their office work. I will instance the Post Office Savings Bank, which is a model to other banking institutions and to other Government Departments. It is recognised as being the finest centre of work of its kind in the country. I ask my hon. Friend—he may not be able to give the answer offhand—whether the War Office methods have been compared, as far as they are comparable—and they are comparable in some respects—with the Post Office Savings Bank, and whether, if a comparison has been made, the output in the relative Departments of the War Office is equivalent to that which obtains in the Post Office, or is at all comparable with it? From the knowledge which an outsider possesses, one cannot but think that there must be scope for a very considerable reduction in some of the items which appear in these Estimates.

I wish to refer to another matter which is profoundly disturbing. The Financial Secretary in introducing the Estimates made reference to the further experiments which have been carried out with regard to certain types of uniform in order to see whether or not the factory at Pimlico might be utilised for carrying out that particular Army manufacture. He said that as a result of experiments it had, unfortunately, been found that they were unable to utilise the factory for that particular object. It was found that the outside contractors, or whoever competed in the business, were able to do the work more economically than it could be done in the factory. The whole history of the factory in recent years has been profoundly disturbing. On 13th May, 1930, the operations of the War Office and the operations of this factory in particular were under investigation by the Public Accounts Committee, my hon. Friend the Member for Farnham (Sir A. M. Samuel) being in the Chair.

The position of the factory—its efficiency, and economy in relation to outside contractors—was under discussion, and the general tenour of the evidence which was given before the Committee by those who were representing the War Office on that occasion was that the factory was highly efficient and was a very profitable venture being carried on by the War Office. In fact, so glowing was the evidence that Members of the House who were present were left in doubt as to why the work was not extended or why such work was not carried on in regard to other supplies for the Army. The answers given in that regard were that if the sites were available, or if it were not for capital expenditure, the Department would only be too pleased to extend that particular operation. Within 18 months a decision was taken to close this highly prosperous, successful and economic factory, or, at all events, the decision was taken to close it down in part. We have heard to-day that it has been closed down altogether, and that very substantial savings have been effected by doing it.

During the course of the Estimates last year the matter was raised by right hon. and hon. Gentlemen sitting opposite who urged upon my hon. Friend the Financial Secretary the necessity of keeping on the factory if he could possibly do so on the ground of the number of men and women who would otherwise have to be discharged and have difficulty in finding occupations elsewhere. My hon. Friend was by no means unsympathetic to that aspect of the case. He made it clear in the course of the Debate that if the economy which would result from the closing had not been very considerable, they would have been exceedingly reluctant—in fact they were reluctant—to take the step which they had done. This is the disturbing aspect of the case. Here is a factory and business which have been carried on ever since the Crimean War. In May of one year it is stated to be prosperous and to be an economy and saving a large sum of money to the nation, and within 18 months it is to be closed down, and a saving of £25,000 or £50,000 a year is to be made by so doing.

I am not suggesting that the factory has always been losing money. It would be an unreasonable suggestion to make, but who is to know how long it has been losing money? I cannot refrain from saying that procedure of this kind is disturbing and disquieting, and a reflection upon the efficiency of the costing department, and upon the efficiency and capacity of the contracting department or whoever is responsible for checking off these matters against outside competitors. It is more than that. It now calls into question the efficiency and the financial control of the War Office which allows a distinguished, able and trusted public servant to give evidence as to the prosperity of the factory, when, in fact, the actual reverse appears to be the case. I have brought this matter and other matters before the House because it is of the utmost importance, when cuts are being made and everybody is suffering, and when reductions are being made here and there which are distasteful, not only to those who have to undergo them, but to many of us in this House, that we should be satisfied that there is no inefficiency in any quarter whatever, and that no money has been spent which is unnecessary. I am by no means satisfied in this particular case that there is not scope for a very considerable reduction in expenditure.

There are many operations which are carried on by the War Office which are directly comparable with large-scale operations carried on outside. For example, I should like to ask whether the cost of the repair of motor vehicles compares with the cost incurred by the London General Omnibus Company and other concerns which have similar operations to carry out? It is most important that we should have the best checks available on all these substantial operations. The hon. Member for Limehouse made reference to the fact that there was no allusion to Disarmament in the speech of the Financial Secretary. I am always willing and anxious to take part in a discussion, inside or outside the House, for the purpose of bringing about disarmament within the limit that it is possible to secure it, but I do not feel that on these Estimates, when we are concerned primarily with the efficiency and the conduct of the Army, and when we are concerned to hear from the responsible Minister an account of the proceedings during the past year and anticipations for the future, that we should widen the discussion by introducing a matter which can be more appropriately discussed on other occasions.

In recent years, since the War, there have been a number of inquiries into affairs of the War Office, in connection with which the assistance of business men and others has been sought. I do not suppose that the Army Estimates are ever discussed in this House without someone making a suggestion that the time has come for another investigation of that kind. The Financial Secretary pointed out that there have been seven inquiries of that sort since the War. I think it is high time that the War Office should have the assistance of a committee competent to discuss and to advise on these particular matters, and other matters, and I would urge that the Minister should give this matter serious consideration. It is important when a committee has been established and it makes its report it should not, as usually happens, disappear into thin air. If a committee is set up, I suggest that they should be kept in being, because it has been the rule that committees which have come to the assistance of Departments in the past have dissolved after they have reported. Difficulties often arise subsequently, their suggestions are not carried out and their efforts are very largely wasted.

The Esher Commission is a case in point in regard to the War Office. They

[Mr. White.]

made a very large number of highly valuable suggestions but they were not carried out. It may be that there were substantial reasons why they should not be carried out. If, however, a committee is appointed in order to bring the highest experience from outside to bear upon these questions, I suggest that it should be kept in being, and that if difficulties arise in the carrying out of any of its suggestions the chairman, or some other member of the committee, should have an opportunity of discussing them with the Department, because it is only in that way that the full results of the good work of these men can be realised. The matters to which I have referred are of great substance. I claim that there is great scope still for reduction of expenditure within the War Office, without any necessity for any inefficiency whatsoever.

5.50 p.m.

Mr. TINKER: Some reference has been made to Army dress, in which connection I have vivid recollections of the time when I had to wear it. I remember the irksomeness of having to wear it under certain conditions. If the Parliamentary Secretary is going to reform Army dress, he might consider what has been done in regard to the wearing of puttees over long trousers. I have seen soldiers since the War and I gather that they still have to fold the puttee over part of the trouser. There was always a difficulty in fixing the puttee, when you had to wear long trousers. Since the War, however, there has been alteration in this respect. Another point to which I would draw attention is the collar of the tunic. The private has to wear a tunic with a very stiff collar. If he appears on parade with the collar loose, he is picked out as being careless and he is "in" for it. The officer has a different kind of dress. He has a looser collar. When the dress is reformed I would like those who are reforming it to remember the time when they wore uniform, particularly with the stiff collar of the tunic, on a warm day. I would ask them also to remember how keen the Army is on having the men up to the mark when they have to be examined on parade. These little, irksome things give rise to disgust on the part of the men when they have to put up with them.

I notice from the memorandum that the discipline of the Army has been improved. The discipline will certainly be improved if these little, pettifogging grievances are removed and the men are treated as ordinary decent human beings in regard to things that can very well be abolished. There are very few soldiers who when they join up do not want to do their best, and they would do their best if these grievances were removed. I hope the Financial Secretary will remember his early days, because he will have had experience, as I had, of discomfort in regard to stiff collars. I hope that he will give the men a little more freedom at the neck when they are on parade. Mention has been made of the health of the Army. I notice that the number of rejections for entrance into the Army has increased from 335 to 370 per thousand. Is that because the standard is higher or because there has been deterioration in the physical standard of our manhood? Either the standard of efficiency has gone higher or the efficiency of our manhood has gone lower. In regard to vocational training, I notice that 2,203 men passed through the training centres in 1932, compared with 2,249 in 1931. Seeing that this work is so useful in regard to the soldier when he returns to civilian life, is it possible for the Financial Secretary to tell us why there has been a reduction in numbers? Is it because of any difficulty with the men, or because of something that they dislike?

In regard to expenditure, this is the first time since 1922 that there has been an increase asked for on the Army Vote. None of us want an inefficient Army. It must be efficient, but it is very hard for us on these benches, when we are fighting for a reduction of the Army, to defend an increase in expenditure. We have always considered that there should be progressive reduction of expenditure with regard to the curtailment of the Army, and it is a matter of dismay to find that this year there is to be an increase of £1,462,000. That requires more explanation than the Financial Secretary has given. He told us that it was due to the Territorials going to training camps this year. He asked us on these benches if we would help him in securing economy. In that regard I should like to make a few suggestions.

I find that the Cavalry, including the Household Cavalry, is estimated this year to cost £605,000. That is a slight decrease. I questioned the Financial Secretary to-day as to the relative cost of the Household Cavalry, because in working out the cost of the 13 Cavalry regiments I find that the cost of each regiment is £46,538. In reply to my question the Financial Secretary told me that the cost of the two Household Cavalry regiments is £158,000, so that each one costs one and a-half times more than an ordinary Cavalry regiment. How does that increased cost for the Household Cavalry regiment come in? Is it because there are more officers for the Household Cavalry, or because they have to wear certain adornments over and above other Cavalry regiments when they are on parade in London? If that is so, it ought to be altered. Anyone who goes from this House to Hyde Park will notice the changing of the Guard, and I take it that the Household Cavalry supply the soldiers for that ceremonial. What benefit is derived from that? This is a time for efficiency and not a time for show. We do not want these showmen any longer. I do not think that it appeals to recruits. If the Financial Secretary is out for economy this is one of the matters with which he should deal. He should go in for efficiency in the Army rather than have showmen, which seems to be the purpose of the Household Cavalry.

The next point is in regard to the coordination of the Services. We have an example of the way in which we could dispense with certain heads of the Army. We have a Secretary of State for War in the other House, and we have the second member of the War Office in the other House. We have only one representative of the War Office in this House, the Financial Secretary, and I think that everyone who heard his speech will agree that he has been able to carry out his work very well. He has explained the work of his Department to the House in a manner which could not have been bettered; indeed, I question if it could have been equalled by anyone else. I want to know whether there is any need for the two gentlemen in the other Chamber. The House of Commons stands for efficiency. If those two gentlemen are really of use, and not, like the Household Cavalry, out for show, then they ought to be here. If they are not required here, they are not required anywhere, and we could do away with them and bring about a little saving in that direction, which would be very useful in a time when there is the direst need for economy.

The time has come when the House of Commons should face the co-ordination of the Services. We must have a strong defence force at a time like the present—no one believes that this nation should disarm as long as other nations are arming—but while we want to feel that our defence force is efficient, we must also economise as much as possible. Each section of the Service does all it can to get the last penny from the Treasury. There is a great need for co-ordination under one head. It would be a saving in money for the nation, and would give us a more efficient defence force than we have at present. I put these points to the Financial Secretary in a spirit of helpfulness, and not in any way as an attempt to decry the Army, Navy or Air Force, recognising, as we do, that they are needful. But we must do all we can to prove to the citizens of this country that we are trying to economise. It is very hard to be deliberating one day upon a Motion such as that which was moved yesterday on poverty by the hon. Member for Bridgeton (Mr. Maxton) and the next day to deal with some branches of the services, costing money, for which we think there is no need. It should be our endeavour to provide an efficient defence force, and at the same time to economise as much as possible.

6.2 p.m.

Captain ARTHUR HOPE: I should like to join in the congratulations to the Financial Secretary on his presentation of the Estimates. There is no need for any apology on his part for the increase this year. It is obvious that last year economies were made—and rightly made—which could not be renewed in subsequent years. The increase this year, which is largely due to the better training of the Territorial Force and the replacement of necessary stores, is entirely justified. I could not follow the hon. Member for Limehouse (Mr. Attlee) in his statement that there is no necessity for the Territorials to go to camp this year; that it would not affect their efficiency. Of course it would. Men join

[Captain Hope.]

the Territorial Army because they think it is the patriotic thing to do and, partly, to become efficient; and if they do not go to camp how can they become efficient? It was a doubtful point last year whether the camps should be abolished, but they were, and the men accepted the decision willingly. If it had been repeated this year it would have had a permanently adverse effect on the future of the Territorial Army.

There are one or two points which I should like to bring before the notice of the Financial Secretary. There is the question of horses in the Army, not necessary for the cavalry. It was delightful to hear the hon. Member's remarks on the subject of the Household Cavalry, which no doubt will be answered by some hon. Member who has been in the Household Cavalry. But I am much perturbed by the condition of the horse-breeding industry in this country. I do not know what is the future of the mechanisation of the Army, whether it will be increased, or whether it is satisfactory or not; but, whatever happens, there must be in all branches of the Army a supply of horses in time of war, and I much regret the decision to do away with the light horse-breeding subsidy. It was only a very small amount. I agree that small amounts in the aggregate amount to a great deal, and one must not be too ready to criticise small economies. But the horse-breeding industry in this country is in a serious condition. There is no doubt that owing to a lack of demand in ordinary civil life there would be, if war happened to be declared, a shortage of horses.

I should like to ask what the position is for collecting horses for the Army in the event of mobilisation. Is it the same system that was in force in 1914, when each area was allotted certain powers to commandeer horses at fixed prices from local farmers, or is there some fresh scheme? I feel that any Expeditionary Force sent out now for European purposes, or for purposes elsewhere, would find great difficulty not only in collecting a sufficient number of horses but in sending out reinforcements. There is one small economy that I should like to suggest. I think that troops are moved about the country too much. The moves from one station to another of cavalry and infantry are fairly frequent. It is said that we cannot have detached units for too long because they lose efficiency in not being trained in larger units; but I think some change should be made. The Household Cavalry move every year from London to Windsor and from Windsor to London. That change is, I think, too frequent, and if they moved every other year it would be more useful and economical. Also units stationed at Edinburgh and York are moved to Tidworth and Aldershot after short intervals of time. Units are constantly transferred from one part of the country to another at great public expense, and at great cost to the officers and their families. I know the argument is that it is essential to train them in large units, but I think in regard to cavalry, at any rate, that that is a complete mistake. The duties of cavalry in a future war will be essentially those of mounted infantry, they will be used not in organisations of cavalry but very largely as troops or squadrons attached to infantry brigades. It would be much more useful, therefore, if cavalry training was directed more on these lines.

I support the request made by the hon. and gallant Member for the Abbey Division of Westminster (Captain Herbert) for the amalgamation of Woolwich and Sandhurst. There should be far more co-ordination between the different units of the Army, there should not be the feeling that, I am a cavalry officer, or I am an artillery officer, or I am a foot soldier, and that other people, although part of the same organisation, are almost in a different world. If from the beginning of their military training officers were brought together and trained together in one place like Sandhurst, it would add to the efficiency of the individual officer. But, apart from that, in these days of necessary economy it is a sheer waste of public money to maintain the establishment at Woolwich. The War Department own a large tract of land around Sandhurst, almost abutting on the Aldershot Command training ground, and there is plenty of room in Sandhurst to accommodate the whole of the cadets and officers who are at present at Woolwich. Woolwich is not a suitable place for training nowadays. It is an exceedingly valuable bit of land which could be sold, and the sale of the land would more than cover the increase in the Estimates this year. I ask the Financial Secretary to bear in mind what has been said, because this is an economy which might well be effected without any loss of efficiency; in fact, it would lead to increased efficiency and put money into the at present comparatively empty pockets of the War Office or the Exchequer.

I should also like to know the position as regards the Albany Street barracks recently evacuated by the Household Cavalry, who are now at Knightsbridge. Are they to be sold, or is the lease coming to an end? A good many people would like to know the position. As regards clothing, I ask the Financial Secretary to bear in mind another aspect of that question. I entirely agree with the hon. Member for Leigh (Mr. Tinker) that great consideration should be given to the comfort of the soldier, especially the foot soldier. I have been in the ranks myself and I agree that it is not a comfortable clothing to wear, but if improvements are going to be made, let them be made in some reasonable spirit, because there is nothing the individual soldier dislikes so much, especially the young men as being made a laughing stock for people when they look at them. From what I saw in the picture papers these unfortunate young men seem to be more like Nervo and Knox in a crazy month than ordinary soldiers.

6.12 p.m.

Brigadier-General MAKINS: It is rather refreshing to some us to be discussing something which really matters—at all events, something which matters a great deal more than 95 per cent. of what we generally debate in this House. We are discussing the defences of this country and the Empire. After all, it is the duty of the Government to govern, to steer the ship of State to peace and safety, so that the nation can get on with its work and the individual can live his life in freedom and liberty; although freedom, it must be confessed, has been, to a great extent, circumscribed and curtailed by many of our interfering and unwanted laws. The Financial Secretary said truly that the army of ours is a very small army. It has become a platitude to call it a police force. He has also truly said that with such a small army it is absolutely essential that it should be thoroughly well-trained, well-armed and well-equipped. Last year the Army was shorn of its training—the Regular Army to a great extent and the Territorial Army almost entirely. It would have been criminal if that had been allowed to continue and, therefore, we are all pleased to hear that training is to be restored.

The Army should be thoroughly well armed. I have seen in the Press recently some suggestion of a new rifle, a new bayonet and a new revolver. I do not know what truth there is in this; we have not heard anything about it, and we do not want to ask for any information which should be withheld. We can only hope that when these arms have to be renewed they will be satisfactory. But the re-arming of the Army should be done as quickly as possible so that everyone can be well trained in the use of these new arms at once. There is also in the Estimates mention of the new light automatic machine gun. That has been many years coming about, and I see that this year there will probably be a decision taken. I hope that whatever form of new machine gun is decided upon, it will be issued rapidly, so that the men can train with it and be ready in time of war. There is one part of our armament in which I think we are very much behindhand, and that is the anti-tank gun. I believe that in manoeuvres the anti-tank gun is represented by a green flag. The sooner that green flag is taken away and the proper anti-tank gun put in its place, the better. One of the most important things that we can attend to at the moment is to have an anti-tank gun chosen and issued to the troops.

Last year I drew the attention of the Financial Secretary to the question of the employment of ex-soldiers. I am very pleased to see this year that the vocational training centres have done their duty well and have got employment for some three quarters of the men who have passed through their hands. Each year a Member generally gets up and urges the Government to see that a man who joins the defence forces of the Crown and then goes on to Governmental civil employment should be allowed to treat his service as continuous for pension. I have not heard it mentioned to-day. None the less it is mentioned pretty regularly and just as regularly turned down on the score of expense. The Government must feel that they have great responsibility for all the men who

[Brigadier-General Makins.]

have not been able to go to one of these vocational training centres. If the Government will not make their service continuous they must feel that they ought to do something for them. There are some 30,000 men who leave the Colours every year for the Reserve and are thrown on the labour market, and a very small proportion of these go to vocational training centres.

There are many voluntary organisations which deal with these men. The principal is the National Association for the Employment of Ex-Sailors, Soldiers and Airmen. This Association is officially used by the War Office and the Navy and the Air Force, and it is through the Association that men get places in Government employ. The Association is mostly kept up by voluntary subscriptions, but the Government do give a subsidy to it, and a very small one—£1,950, of which £1,250 is from the Army, £500 from the Navy and £200 from the Air Force. I think the Government might do a great deal more to support the National Association. If they gave it a little more money it could have much better offices—the offices are very poor now and not half good enough—and it might extend its beneficent sway a great deal further.

In 1906 there was a Departmental Committee set up under Sir Edward Ward, which recommended that the Government should give no less than £16,000 to this Association annually. That proposal has never gone any further. Considering what responsibility the Government have for the ex-service man, I think they might give a little more to the Association than the £1,950 from the three Services. I have said that there are certain other voluntary associations. I am sorry to think that many of these associations have a sort of perverted *esprit de corps* and refuse to support the National Association. I regret that my old branch of the Service is one of the offenders. If only the Government would do a little more for the National Association that might induce these voluntary associations to see the error of their ways and to be more inclined to come in. I hope that the War Office will use their influence in trying to make the National Association a big thing, so that it can do a great deal better work than it has done up to now.

I will deal only briefly with the question of the merging of Sandhurst and Woolwich. The case has been very ably put already. I have taken some trouble to inquire amongst serving officers, and I have found amongst the thinking ones an opinion that the merging would be a good thing. I will not give the reasons, for they have been stated so well already. But I, who am very conservative with regard to the Army and all its institutions, believe that this is one of those very rare cases where it is possible to combine economy with efficiency.

I will mention one small point which may bring a smile to the faces of some people, but in a voluntary Army like ours small points do count. That is the question of restoring the lowest grade title to officers in the cavalry and infantry—restoring the old title of cornet and ensign. It was in 1871 that the purchase of commissions was abolished. There was an Army Order issued towards the end of that year abolishing the titles of cornet and ensign. The lowest grades were altered to the title of sub-lieutenant and the conditions of that grade were altered. The sub-lieutenant was really an officer on probation for three years. He went to his regiment for one year and then went on to Sandhurst, and, having passed a professional examination, he went back to his regiment and became a full-blooded lieutenant. About six years after that the title of sub-lieutenant was abolished, partly because it would be mixed up with the rank in the Navy, and the title of second-lieutenant was introduced. In 1881 the title of second-lieutenant was abolished, and all second-lieutenants were converted into first-lieutenants. I imagine that the title was abolished because no one liked the title of second-lieutenant. Curiously enough, in 1887 second-lieutenants were reintroduced and they have remained ever since. This is a very small point, I admit, but cannot we imagine that an officer on joining would swell out his chest a little more if he were a cornet of horse instead of a second-lieutenant, and would he not prefer to be called an ensign when he joined the infantry instead of being called a second-lieutenant?

On one point I must congratulate the Financial Secretary, and that is that there has been no tampering with the cavalry, no amalgamation, no condensation, no tinkering of any sort. As an old cavalry soldier I say that that is very satisfactory, in spite of what has been said by the hon. Member for Leigh (Mr. Tinker), whom we are all delighted to hear. Every year he denounces the cavalry, though I am glad to think that his words fall on deaf ears. I know he very much enjoys saying these things.

Mr. TINKER: I shall succeed yet.

Brigadier - General MAKINS: And that's that. One thing which is very satisfactory is that the authorities feel that the day of the cavalry is not done. In fact, it is there just as much as ever. Cavalry to-day can be of use at the beginning of the fight and at the end. It can take advantage of success and reap victory in due course. The disorganised infantry will still feel panicky fear when they hear that the cavalry is once more upon them. The cavalry will be able to come into their own when mechanised vehicles have all broken down, as they did two years ago at manoeuvres, and when possibly the petrol dumps are all exploded. The cavalry will be useful again in advance and retreat. A great many people do not realise what the cavalry did in the great retreat of 1918. They were used on every critical occasion to support the line wherever it was broken, to fill the gaps, and by their mobility they were able to turn a very bad situation into a good one.

One other point I must mention about the cavalry is with regard to their horses. A cavalry regiment has only 237 troop horses. When it is realised that at least 5 per cent. are probably in the sick lines, that some 10 per cent. should be put down as remounts and a large percentage for training recruits in riding school, it can be well imagined that when the colonel likes to see his regiment on parade he will not see very many there. In these days, when horses are getting scarce and when it is important to get horses suddenly in time of war, it is more than ever necessary that a regiment should be well mounted and comparatively up to strength. It should certainly have more than 237 troop horses.

6.30 p.m.

Brigadier-General NATION: I listened with a great interest and a good deal of relief to the speech of the Financial Secretary to the War Office. Those of us who have been brought up in one or other of the Fighting Services have passed through a period of considerable anxiety. We have seen our land, sea and air forces reduced to the lowest possible limits, and deprived of their normal training, while, at the same time, no other nation has followed our example. Indeed, some have become rather more aggressive, and I might almost say bellicose. We have shown by our example our genuine desire for peace. We have done our utmost at Geneva and elsewhere and we have reduced our forces in every direction. This policy has not, however, brought the results for which we had hoped. Indeed, by some nations it has been looked upon as a weakness, and I make bold to say that, if we had not taken our troops from Iraq and Aden, we should not have had the difficulties which we have just encountered in regard to the Anglo-Persian Oil Concession.

When the Estimates were presented last year the Secretary of State said in his accompanying Memorandum that the enormous cuts of that time could not be repeated in future years. I must say that, as a new Member, I thought he was rather optimistic, because I have had a little experiesce in regard to handing money back to the Treasury. It is very easy to do that, but it is very hard to get it out again. Therefore, when I saw in this year's Estimates that he had got back nearly £1,500,000, I felt like extending to him my heartiest congratulations. I still think that the amount of money that this country spends on its fighting forces is too high. It is more than we can really afford. At the same time, as long as we maintain the organisation and administration that we do maintain, I do not see much prospect of reducing that amount in the near future. With regard to the distribution of the £1,500,000 I think the Army Council have allotted it in the best possible manner for the proficiency of the Army that we have. I observe considerable increases in votes for training and for pay. I think that is probably because it is hoped that there will be a better recruiting year. The sum under the head of training as we have heard is mainly for the training itself, but there are also stores and barracks. At the same time I notice in the Estimate considerable further savings this year. There is something like

[Brigadier-General Nation.]

£66,000 less for movements, something like £100,000 less for clothing, and a reduction also in the non-effective Vote. I was particularly glad to see the reduction in the amount for movement. Last year I strongly represented that this was an item on which a good deal of saving could be made without loss of efficiency.

I pass to the question of strength. The Secretary of State says in his Memorandum that, inclusive of India, the deficiency is only 5,000 men. I think that is a little misleading to those who have not studied the question closely and are not familiar with the form of this large volume of Estimates. The actual deficiency, exclusive of India, is nearly 10,000, and the deficiency at home alone, according to the figures given to me by the Financial Secretary recently, is about 5,400. But it is when we take the whole of the land forces together that we get a really serious picture of the situation. As I have said, the deficiency in the Regular Army is about 5,400; in the Army Reserve it is about 1,800; in the Supplementary Reserve it is 5,000, and in the Territorial Army, according to the figures given by the Financial Secretary a week ago, it is about 44,000. When we add these together we see that the total shortage at home is no less than 55,000 men and that represents a corps strength of five infantry divisions. When it is looked at in that light, I think, the House will realise how weak we are at home.

I was glad to see that mechanisation is proceeding, and, with regard to the brigade which, it was reported in the Press, was being de-mechanised, I am glad to have the assurance that that does not mean a change of policy in regard to mechanisation. I was particularly glad to see that, for the first time, this year it is intended that mechanisation shall be extended to the Territorials, and the War Office are actually taking in hand the preparation of estimates for the divisional units of the Territorial Army. I think it is a very wise move and a very happy inspiration to hand over the coast defences to the Territorials. It gives them more work of a serious nature at home and at the same time it releases a number of regular infantry and artillery for more active employment and service oversea.

In regard to the item for movement, which, as I say, has been reduced by about £66,000, I still think that there is a possibility here for further reduction. I see in the orders for changing of stations this year that no fewer than six cavalry regiments, two brigades of artillery, eight battalions of Guards, and 14 battalions of infantry, will be changing stations in the United Kingdom. We know the old argument that this is done for training purposes and that some places are particularly bad from the training point of view. But exactly what is to be gained, for example, by moving the 2nd Dorsets from Portland to Dover, and the 1st Battalion of the Royal Sussex from Dover to Devonport? The training facilities, or rather lack of facilities, at these three stations—because they are pretty indifferent—can be of no advantage to these regiments. I think something might be done in the way of replacing regiments, which vacate barracks in this country to go abroad, by the regiments which come home from abroad—that the homecoming regiment should go into the barracks so vacated, leaving at peace, those regiments already established in this country. It has been well pointed out already that continual changing of stations is most disturbing, particularly to young married soldiers and officers. With regard to the item of £115,000 for land purchase, under present conditions of stringency and with constantly diminishing forces, it does not seem to be an appropriate time to buy extra land. I have no doubt there is a very good reason for this item, but that reason does not appear on the Estimates, and I would like to know what it is.

Coming to the question of training, I think everybody will agree that it is the most important item in these Estimates. I am glad to see that the Regular Army is going to be trained again, also that the Territorial forces, the Supplementary Reserve and the Officers Training Corps are to have their camps. I wish to know whether there are to be camps for the cadet units this year. There is no mention of that item but I think these small units deserve attention and encouragement. I suppose it is too much to hope that there is any prospect that they will get their grant of 4s. per cadet by going to camp, but I trust that matter is not being lost sight of by the War Office. I observe that the number of units has diminished since 1931. There are about eight fewer cadet units, but the total strength has increased by about 1,500, and that is most creditable in the difficult circumstances in which they work. The private members economy report has been touched upon already and I do not wish to elaborate that point.

As regards Sandhurst and Woolwich, I was at Woolwich myself, and all I know about military affairs I learnt there, but, in spite of that fact, I agree that Woolwich is no longer suitable for training officers. It is an enormous town and the Academy is entirely surrounded by houses. The places where, when I was a cadet, we did exercises and were instructed in topography and tactics and so on, are now built over completely and it is unsuitable for any kind of military work. I think it would be a considerable advantage to the Army as a whole if all officers coming into the Service got the rudiments of their military training at the same place. We should then have an *esprit d'armée* instead of the *esprit de corps* which we have at present and I think that would be all to the good. It has been said that there is plenty of room at Sandhurst and, as regards the specialist and technical teaching necessary for artillery engineers and signals, that could all be done after the officer joined his regiment. He could then go to the special technical schools which now exist.

I want now to say something which, I am afraid, will not please a good many senior officers, but will, I think, give fresh heart and encouragement to those coming on in the lower ranks. I think that our Army is top-heavy in the senior ranks. There are too many generals and colonels. A system which allows no fewer than 30 generals and 50 colonels to be placed on half-pay and kept in unemployment for anything up to three years in the case of generals, and five years or more in the case of colonels, cannot make for efficiency. I know the answer will be that we must keep the best men, that we cannot let them go on retired pay, that we must keep them on ice, as it were, until suitable vacancies can be found for them. Well, we know what it is to keep things on the ice, and even generals and colonels are not exceptions to the rule. Things that are kept on ice do not remain fresh for long, and in the case of human beings, if they are kept on ice too long, they take to gardening or chicken farming, and then, if they are called back to command a division or possibly a higher post, I think they have probably suffered a good deal from their enforced idleness.

I know it will hurt a good many people, but I say it with all earnestness and in all seriousness. I would like to see the half-pay done away with entirely, or at any rate the establishment of half-pay officers very considerably reduced. It would encourage all those who are coming along lower down, and it would give a more normal rate of promotion. I would also like to see the rank of full general abolished. There is no appointment and there is no command suitable for an officer of that rank in peace time. Every appointment or every command that exists in peace time can be held by a lieutenant-general. The members of the Army Council need not be higher than lieutenant-generals according to the present rule, and so I think that that would make for a better flow of promotion and be cheaper as well.

I would like now to say something about anomalies that have taken place within recent years. I know of a lieutenant-general, a most distinguished officer, who held command of a division in the War and subsequently an independent command. He was promoted to the rank of lieutenant-general, he was kept on half-pay for three years, and finally he was retired. I should like to know why this officer was promoted at all to the rank of lieutenant-general, if he was to be kept on half-pay and not used. He was a young man, he could not look for any other employment, and now he is out of a job. I would not have minded so much but that he originally came from the Dominions, and I will leave it at that.

I know of three colonels—I will not mention any names—one of whom has had every decoration for valour in the field, the Victoria Cross, the Distinguished Service Order, and everything else he could possibly have in that way. He has been to the Staff College, he has commanded a brigade in the War, he was aide-de-camp to the King, he arrived at the top of the colonels' list, he was kept on half-pay, and finally retired. He had every qualification that an officer could have, yet he was not promoted. I know

[Brigadier-General Nation.]

of another one, also a V.C., who was wounded 11 times in the War. He also commanded a brigade in the War, and he was one of the most gallant men I have ever had the pleasure of meeting. He was not given a command after the War, but he was given a post of comparatively small importance. Various openings occurred which were suitable for him, but he was not employed, and in disgust he left the Army.

At the present time, at the top of the colonels' list, there is an officer, who also won the Victoria Cross and the Distinguished Service Order, who was an aide-de-camp to the King, and who commanded a brigade in the War. His name is, I think, a household word, especially in London. He has been on half-pay for five years, and he is still young enough to remain on for I do not know how much longer. These are not encouraging examples to the fine young fellows who are working hard in the Army and trying to get on in their profession, and I think that a system that allows that sort of thing to happen should be changed in some way.

With regard to promotion generally, promotion for junior officers, from lieutenant-colonels downwards, is working very irregularly and is causing a great deal of heart-burning. I would like to mention, in passing, a senior colonel in the Artillery who has 29 years' service, whereas in the Grenadier Guards a senior colonel has only got 20. Among the majors in the Artillery, a junior major has 19 years' service; in the Engineers he has 17, and in the Grenadier Guards only 14. As regards lieutenants, there are senior subalterns in the Army with as much as 17 years' service, whereas in some regiments the senior subaltern has only 10 years' service. During the War, as we all know, we had generals of 30, and here we have got old men of about 40 who are still subalterns. In the Artillery, I understand, there are over 100 supernumerary captains.

Surely something can be done to regulate the flow of promotion throughout the Army. I asked in this House, about a fortnight ago, I think, whether any scheme for regulating the promotion of officers throughout the Army was in contemplation, and I was told that the Army Council was not considering any scheme, but that it was offering transfers to subalterns and captains from the Artillery to the Cavalry. That is a very poor compensation to an officer who has been brought up in the Artillery. It is like taking a man out of his own family and putting him in another family which does not talk the same language; also, there are not many officers who can afford to change into the Cavalry. I think something ought to be done about this, and I believe it is possible that something could be done. I would earnestly ask the Financial Secretary if he will consider this matter. I will say no more about the Economy Committee's report; I will just leave it at that.

I want, in conclusion, to mention one more subject on which I feel very strongly. In these last few days we have had a thing happen in this country which, I think, has no parallel in our history. I mean, of course, the resolution that was passed by some young men at one of our seats of learning. It is said by some people that we must not take them seriously, that it is just a passing phase and does not mean anything, and that they are not thinkers. I am afraid I cannot accept that view. I think that if this is allowed to go on and not checked, it will do an infinitude of harm. The fact that any Englishman, of any age, should allow it to go out to the world that on no condition would he fight for his country or for our King is a thing that men and women throughout the Empire will regard with horror and almost with shame. What their parents or those responsible for their education must be thinking, I can only leave to the imagination.

Compare this miserable picture with the fine young fellows who go into the officers' training corps and the cadet units. These young men do not want to fight, they do not want war any more than the most ardent pacifist wants it, but I take it that if danger were to come to this country again they want to be prepared to do their utmost. They would serve their country with their bodies, and, if need be, with their lives. As to these other young men, I cannot believe that if the hour of danger were to strike again, every young man throughout the Empire would not come, as they did before, for the protection of our country and our people.

Lastly, we do not want a big Army, we do not want an aggressive Army, but we do want the minimum Army that is required for the protection of these shores and of our oversea Dominions. It is for the Army Council to advise the Government as regards the size of that Army and the minimum size that we require; it is the duty of the Army Council to see that that Army is efficiently trained and ready to proceed to any part of the world; and it is for this House to provide the money for that Army.

6.56 p.m.

Mr. LAWSON: A just tribute has been paid to the hon. Gentleman the Financial Secretary to the War Office for his colourful treatment of his subject this afternoon. That, of course, is the duty of the representative of the War Office who is asking for something like £38,000,000 in times like these; and bright as were his colours, which, as has been pointed out, were a considerable relief from the mechanical statements with which we are familiar, they did not blind us to the fact that the hon. Gentleman was asking for something like £1,500,000 increase upon last year's Estimates. The Minister said that that was necessary to keep up the efficiency of the Army. Everybody agrees with the need for efficiency, but, after all, efficiency can be relative. I should say that the Army, with the means at its disposal now, and for its own purposes, was never more efficient than it is to-day. Whether you take the side of gunnery, or transport, or on whatever side you touch the Regular Army, I should say it was never more efficient and more powerful for destructive purposes than it is to-day, even with its reduced Estimates.

As I say, the question of efficiency is only relative. The question is, Have we to increase expenditure on the Army for the efficient production of soldiers and thereby decrease the possible efficiency of the citizens? When we are discussing these Estimates it is necessary to keep the mind as a whole upon what we do. One of the points that is regularly put from this Box and from that Box is the need for co-ordinating the Services, for considering the whole of the police services with a view to their work, to their objects, and to their cost. That is quite true, but as I have sat here over the years I have always thought the real need for to co-ordinate in our minds the whole of the Services, civil and fighting, and give a due balance to all concerned. Now mark the fact that £22,500,000 has been taken from the unemployed. Cuts have gone on in every direction. There has not been a single attempt to restore any of these cuts, except in a slight way upon which I will not touch at present.

I was rather startled to hear the hon. Gentleman state that this £1,500,000 increase was a restoration of the cuts. That is a very strange point of view. If that is considered as a restoring of cuts by the Government, it really explains the point of view of the Government in dealing with the whole of the Civil Services, as well as with the Military and Naval Services. What gripped the House to-day was that the hon. Gentleman in his statement gave first place to the personnel, the human side of the Army. One of the things which has always struck me—and herein, I think, really lies the success of the hon. Gentleman to-day, as well as last year—is that he does put the human side first. He deals in a colourful way with the men, and that is really the attitude of those concerned in running armies. I sometimes wish I could get ex-Regular officers in this House to apply the same standards to civilian affairs as to Army affairs. If they did they would be more revolutionary than some of the extreme Socialists in this country.

They demand a standard for the man; they must be properly fed. I wish every citizen was as decently fed as the average soldier. An officer who did not see to the feeding of his men would feel he was guilty of a real dereliction of duty. The Regular officer regards matters of that description as being matters of conscience. As we are told, rightly, to look after our horses before ourselves, so the Regular officer is very insistent upon looking after his men. As to accommodation, it is true that in recent years some of the accommodation has not been quite up-to-date. No one regrets expenditure for the proper accommodation of soldiers, but it is really much higher, rough-and-ready as it is, than the accommodation of great masses of our citizens to-day.

Then there is the question of clothing. Here I wish to join issue with the hon.

[Mr. Lawson.]

Gentleman regarding the abandonment of the Pimlico factory. I know the hon. Gentleman was placed in a certain position, but I do not see why, because the lease was up, the system of producing clothing by the State service should have been abandoned altogether. Pimilico was brought into being because of the ill-service rendered by private enterprise in days gone by. The whole of the very varying State supply services was practically brought into being through the very maintenance of the Army by the State itself. There were civil experiences of private enterprise—the corruption of old-time individualism. I am not going to say that the State factory for producing soldiers' clothing was the last, and final, word in efficiency, but I will say that it produced good clothes. It did its work—there was no fault in that—and it always acted as a brake upon people who would otherwise have fleeced the State.

What guarantee have we that we will not get into the regular routine of certain firms thinking that, because they have accommodated themselves to producing a certain type and cut of clothing, they have some guaranteed position, and that they can take advantage of that guarantee? What guarantee are we to have that we will have any standards by which we can judge of private enterprise if we have an outbreak of war? I am really astonished at the complete abandonment by the War Office of that State service. It is not only alien to what has been the practice of the War Office, but it is a very dangerous line for the War Office to take, either from the peace-time or the war-time point of view. It will not be denied, I think, that the Services Contracts Department, if its experience was used, could give this Government quite a lot of light upon the manipulations of those people who buy in foreign markets on a wholesale scale and sell to retailers. I daresay the War Office, buying wholesale to supply its own soldiers, could, if its experience was open to the average citizen, explain a great deal of the difference between wholesale and retail prices to-day. In supplying its own people, I think the Contracts Department is, probably, one of the most efficient in this country. As a matter of fact, I myself have had experience of this with regard to the Contracts Department. During 1924 a very able civil servant was at the head of the Department. Immediately he left the War Office, he was snapped up by the National Union of Manufacturers to serve their purposes. I think it is a mistaken policy on the part of the War Office to have abandoned altogether the Army Clothing Factory.

What is happening with regard to the ordnance factory at Woolwich? Are the people there getting their full share of work? Regularly there is a tug-of-war between the private firms and the State factories as to who is going to get the bulk of the work. The hon. Member for East Woolwich (Mr. Hicks) was going to raise this matter and the question of pensions. Will the hon. Gentleman give a guarantee that the policy of paring down State work is not being followed with the object of giving private enterprise advantages at the expense of those in the employment of the State? I sometimes think we ought to have a different method of dealing with these Estimates. We have here a big book, almost a library of figures, dealing with the expenditure of £37,000,000, and we know that this may be the last, or almost the last, Debate in which we can discuss this matter. It is high time we had some new method of dealing with these Estimates.

I congratulate the hon. Gentleman on maintaining the educational and vocational training. Vocational training is one of those things which have emerged since the War. The educational training, while it is the same service as that which prevailed before the War, has been so changed in personnel and method that the results, as compared with pre-War results, have been more than could be dreamed of, having regard to the expenditure concerned. I say without hesitation that the best educated adolescent in this country is the young man educated in the Army—not on the military and fighting side, but the plain, general, ordinary educational side. You have only to note his bearing, and to talk to such a man, to see what can be done. It makes me the more regret that we have not such high standards for civilians outside the Services. If we could have the same standards as those which are supported by the Regular officers, applied by employers to their employés—standards of welfare, feeding, clothing and education such as we have in the Army—we would have the outlook of the personnel of this country revolutionised.

One of my hon. Friends raised the question of dress. The committee dealing with the matter has my sympathy. I endorse the sentiment of one of the hon. and gallant Gentlemen who spoke from the benches behind me. I have only seen this dress in pictures and I do not know whether they do it justice—it looks something like the morning after the night before. If the soldiers in this dress are as sorry for themselves as they look, they must be in a bad state indeed. It is true that they may have the right kind of neck, but otherwise they are not worthy of that smartness of appearance which we expect. My hon. Friend who opened the Debate dealt with the main heads of this expenditure. He asked about Catterick. It is about time that camp was finished. It is a beautiful camp in many respects and has a lot of good things for games and amusements for soldiers, but I hope we shall hear from the hon. Gentleman whether we are getting value for the increased expenditure and how much it will cost. On page 137 is a subsidy of £3,000 for mechanised motor lorries and that kind of thing. I understand that £40 a year is paid to certain firms. Is that subsidy really necessary now? I do not think that it is. It was necessary when the kind of lorries that the Army wanted were being developed and were in their infancy, but it cannot be said that they are in their infancy now. I hope that the Financial Secretary will give a definite answer to the points that have been put about the £1,500,000 increase which, however it may be looked at, may be a gain to the Army but is a loss which it can ill afford to the civilian side of the country, a great mass of which is in a lamentable condition.

7.18 p.m.

Lieut.-Colonel WINDSOR-CLIVE: I agree with the hon. Member for Chester-le-Street (Mr. Lawson) in what he said about the new uniform. I have only seen it in pictures, but if the reality is anything like the pictures, it is a uniform which should only be used for training, another uniform being provided for other occasions. I hope that the introduction of the new uniform will hasten the day when full dress will be restored to the whole Army. The Financial Secretary invited hon. Members to give suggestions which would help for better co-ordination of the three Fighting Services. To that end I will ask him to put in force the most important recommendation which was made by the Private Members Economy Committee, and appoint a committee to go into the question of Imperial defence as a whole and into the relations of the three Services with each other. That is most urgently wanted at the present time. There has been no committee of investigation into the Army for nearly 30 years. I do not know whether there has ever been an investigation into the Admiralty since it was created, and there has not been one into the Air Force. We certainly want something of this kind for I am certain not only that it will improve efficiency, but that we shall not get any real economy until something of the sort has been done. I agree with those hon. Members who have asked for an opportunity to discuss the Estimates of the Fighting Services together. That point is raised every year, and everybody agrees with it except the Government of the day. There is always some difficulty about it, but I am sure that we shall not discuss the Estimates to the best advantage until we can discuss them together.

I am sorry that the hon. Member for Leigh (Mr. Tinker) is not in his place at the moment, because I want to make a reference to something that he said. He gave us his annual attack on the Household Cavalry, to which we are quite accustomed. Every time I listen to him I wonder whether he knows anything about their history. One statement that he made was that a regiment of Cavalry of the Line cost £46,000 a year. According to page 286 of the Army Estimates, the cost is £75,600. That being so, it completely vitiates the comparison which he made between the cost of a regiment of Household Cavalry and the cost of a regiment of the Cavalry of the Line. The Memorandum states that the strength of the Army Reserve will fall by about 5,000 men this year. That is most regrettable, and I urge upon the hon. Gentleman the necessity of keeping up the strength of that Reserve because we have nothing else now to keep up the strength of the Army, especially the strength of the Infantry, in time of war. In the last war we had special reserve battalions which did valuable service. These have been abolished and we have nothing left except the Army Reserve. I

[Lieut.-Colonel Windsor Clive.]

am afraid that in the event of a serious war, and the Army needing a lot of reinforcements, there will be a temptation when the Army Reserve is used up to use the Territorial Army for drafting. The new proposals of the Government with regard to enlistment to the Territorial Army will make that temptation to use that Territorial Army for drafting all the greater. I urge the Government to take steps to restore the strength of the Reserve and if possible to increase it.

The same remarks apply to the officers. The hon. Member for Limehouse (Mr. Attlee) said that he thought that there were too many officers, but I do not agree. In war the wastage of officers is very great. We have the Supplementary Reserve, and on page 9 of the Estimates the establishment and the strength of that Reserve are given, but all ranks and categories are bulked together. On page 67 the establishment of the Supplementary Reserve is given by ranks and categories, but we are not given its actual strength, and we cannot see how the strength compares with the establishment. For one category the establishment of the Supplementary Reserve is given here as 104 officers, but in the February Army List its strength is given as only 53. That is a very serious difference. It may be said that we have the Regular Army Reserve of Officers, but that reserve is composed mostly of senior officers. We must have for purposes of war a proper reserve of junior officers, and as far as I can see we have not got it.

7.25 p.m.

Mr. ROSS: I heard with amazement that hon. Members on the Front Opposition Bench expected to hear something about Disarmament. Considering that the British Army, according to the Hoover scale, is hopelessly inadequate for police purposes, I think that if hon. Members wish to talk about Disarmament they might at least pay a tribute to this country in having set a standard of disarmament which has not been approached by anybody else. With regard to economy, the Army has enormous duties to perform and the truest economy is to have the best organisation. I sometimes wonder whether the present system, which is 60 years old, and is known as the Cardwell system, is the best for that purpose. The arbitrary method of dividing the Army into two is admirable for some purposes, but not all. The purposes for which we need our Army are lucidly set forth in the Training and Manoeuvres Regulations, namely, (1) Imperial policing, (2) minor expeditions, (3) major operations, possibly including the Territorial Army, and (4) a national war. No doubt for the first two the Cardwell system is admirable, but I am not certain that it is the best system for the third and fourth. The Indian Army has been constantly reorganised. The regimental system has been introduced since the War, but except for the internal organisation of smaller units, the Army at home seems to have had very little thought applied to it. I would put forward the suggestion that a better system might be introduced with great advantage, and we look with confidence to that distinguished Ulsterman, the new Chief of the General Staff, who is a soldier in whom I do not think anybody can have anything but the greatest confidence, both because of his record and his personality.

There is another question in Army organisation which must exercise the minds of those who are interested in military affairs. When is there going to be a clearly enunciated policy of mechanisation? Is it going on on a steady considered course? We have not heard very much from the Financial Secretary on that point. It is well known that, at all events as regards one form which was of an experimental nature, the transport has been put back to horse transport. On page 107, where the warlike stores in Vote 10 are considered, I see that as between this year and last there is an increase of £1,000 in the provision of horse transport vehicles, whereas the amount spent on mechanical transport has decreased by £28,000, which prima facie would suggest that that policy is not of a steady forward nature. I do not know whether it is the policy of the War Office to increase the mechanised forces. I expect they must increase, and, if that be so, in what manner will it be done? Two distinguished regiments were transferred from a cavalry to a mechanised basis, and it would be a great misfortune if the traditions of the old regiments should ever be lost through their cavalry or even infantry becoming to some extent out of date. I would urge that if ever there is any large scale mechanisation that principle should not be perpetuated, but that the existing regiments should be used on a re-armed basis for any extension in that direction.

An hon. and gallant Member who spoke earlier in the evening alluded to various points in connection with the armament equipment. There is the question of the light automatic, which I should have thought was one of considerable moment to the cavalry. From such small experience as I have, I should have thought the light automatic was a weapon on which they relied very considerably, but, as I understand it, they have had no light automatic for a considerable time. Since the Hotchkiss was abolished they have been given no substitute. But the most serious lack in army equipment is the lack of an anti-tank gun. Let us consider the alternative which is provided. The War Office provided the Army with flags instead. In peace time the flag has certain very definite advantages over the gun. It is more portable, it is lighter, it is probably a thing of beauty; but surely the primary condition which should be considered is the use of the Army in war.

The reference to the reorganisation which took place in 1928, alluded to on page 38, describes the organisation of the battalions. The battalion is to have a headquarter wing, and it is laid down that the headquarter wing is to have four anti-tank weapons. "Is to have." As far as I know nothing has ever been done about it. What protection have the unfortunate infantry against mechanised vehicles, beyond their powers of concealment, which are no doubt a military art, but one which we do not want to see overstrained? In that respect I do not think the infantry have any form of retaliation. The modern armoured fighting vehicle is much less troubled by ordinary machine-gun fire than the vehicle of the war-time experiments, and I think we require some rather detailed explanation of what, prima facie, appears to be, perhaps, a neglect of the obligation to have an efficient and properly equipped Army.

Lastly, I would say that I think the House, or such Members as are interested in military affairs, would welcome an opportunity of seeing the Army as it exists to-day. I may be wrong, but I do not think the Members of the House have had an opportunity of seeing the developments of military science in the last few years, and I am sure there are many hon. Members who would very much appreciate such an opportunity if it were afforded by the War Office. Above all, I hope we shall never sink into the complacency of thinking that we have a perfect machine. There are many points which ought to be considered. The question of a non-inflammable fuel is one of them. I might have gone into some of these questions, but at this hour I will content myself with the few observations I have made.

7.35 p.m.

Brigadier-General SPEARS: In the few remarks I am going to make I would like, as so many other speakers have done, to draw attention to the recommendations of the Private Members' Economy Committee. It was a source of great gratification to me to hear from the Financial Secretary that some of the recommendations were in course of being adopted. I am all the happier to have had that assurance, as my perusal of the Estimates had not led me to believe that the recommendations were being considered at all. The hon. and gallant Member for Ludlow (Colonel Windsor-Clive), I am glad to say, underlined the most important of the recommendations of the Economy Committee, namely, that a committee should be established to inquire into Imperial Defence as a whole. I would add my voice to his; and say that I very much hope that such a committee will be set up. The Secretary of State is particularly fortunate in the military advisers he has just now, and I cannot but believe that the suggestion of an inquiry into the three Services would be welcomed by them. The relationship between the three Services requires to be defined and revised. We know there is a certain amount of co-ordination at present, but the position needs clarifying. Not only would such inquiry, in my belief, lead to greater efficiency, but it would lead to greater economy as well, since such an inquiry would furnish the only means whereby the services common to all three of the fighting branches of the Crown would come under review as a whole.

I am aware that the Weir Committee reported against any such amalgamation,

[Brigadier-General Spears.]

but I was glad to hear from the Financial Secretary that he himself was not opposed to the ground being further explored in that direction. I do hope the House and the War Office will not allow themselves to be deterred by the fact that the Weir Committee reported against the amalgamation of these common Services. Anybody who was aware of the composition of that committee, and the witnesses whom they heard, would have been able to prophesy that their finding would be against amalgamation. Perhaps the result of an inquiry such as I suggest would rid us of the dangerous fiction whereby the three chiefs of staff of the three Services are assumed to have individual and collective responsibility for advising on defence policy as a whole. I would very much like to draw the special attention of the Financial Secretary to this extremely important point. The Salisbury Committee defined these three chiefs of staff in this way: "The three compose, as it were, a super chief of a war staff in commission." Perhaps my hon. Friend will explain to me what that means. To me it sounds exactly like a description which was one applied to Metternich: "A loud-sounding nothing." I do not know who said that, unless it was Talleyrand. It was such a formula as the Bishop of Autun would have imagined if he had wanted to hide his meaning. It is as obscure as was the relationship of that prelate with the Church. In any case, it is a formula that is in no way Napoleonic, because it is completely and absolutely obscure. I think that is one of the most important points requiring looking into.

There is only one particular point in connection with economy which I have time to take up. The Economy Committee ask that the names of officers who receive grants for distinguished or meritorious service should be given. Their names were always published up to the year 1914 or 1915. The grant itself was instituted before the days of pensions and I have nothing at all against the maintenance of this fund. It may provide a valuable means of helping officers in need of assistance, but as the money is provided by the public it is only right that the names of the officers assisted should be given. I beg to ask that the Financial Secretary should undertake to publish the names in future. I would have liked also, had I had time, to go into the question of the personnel of the War Office. I must leave it aside, simply underlining the fact that it is the civil side and not the military side that is so swollen.

In conclusion, I would say one word on the administration of justice in the Army. There is a long-standing grievance which ought to be adjusted. In the Army the right of appeal is illusionary. Any case, at all its stages, is always referred back to the same individual. I think nobody has any complaints against the officials concerned. They are men of outstanding capacity and scrupulous integrity, but there is a defect in the system. Take the case of a general court martial. A charge is made out, and it is sent to the Judge Advocate General's Department. A charge is there framed, and the court martial then takes place, a representative of the Judge Advocate General being presnt. The findings of the court are sent to the War Office. The Judge Advocate General advises the Army Council as to whether the charge should be upheld or set aside, and should there be an appeal by the condemned individual it is again the Judge Advocate General who will advise the Army Council on that point. So that under the guise of examination or of appeal the same individual, who must, perforce, take a certain stand at the beginning, is called upon to adjudicate in regard to the opinion he has himself given. This seems to be contrary to the spirit of public justice, and should be altered.

7.45 p.m.

Mr. LOGAN: I wish to compliment the Financial Secretary to the War Office on the lucid manner in which he brought forward his Estimates to-day. He deserves the congratulations of this House for his clear exposition, and for the magnificent manner in which, without a note, he addressed the House upon such an important matter. I intervene to draw the attention of the House to the fact tha on Tuesday of his week a decision was taken to grant £145,000 to 20 county boroughs and three counties in the distressed areas. We pointed out that we considered that that amount was most inadequate. For the life of me, I cannot understand why an application should now be made to this House for £739,000 to be given to the Territorials, five times greater than that allocated to the depressed areas to tide them over their difficulties. I do not think that there is any danger of a siege or of any enemy landing in this country, nor do I think that there is any danger of a war. Why we should be asked for £739,000 to provide a fortnight's or a month's holiday for Territorials is beyond my comprehension. I could understand it in a time of danger when it is absolutely essential, and I would never dream of saying that the Territorials ought not to get the advantage of training. I believe that it does men good.

We are told by a substantial body of experts on the Government side, when we advance a plea in regard to the depressed areas, that the Government are not able to pay, and that we must be economical. Notwithstanding the disadvantages under which we labour, the Government now ask and expect this proposal for a sum five times greater than that which they are prepared to give to those 20 boroughs and three counties to be passed without opposition. Just for a holiday for the Territorial Service they expect us to pass that proposal. With all due respect to those who favour economy, I say that such a thing ought not to be tolerated. While areas are in such a depressed condition that poverty is rampant—the daily papers are to-day saying so, in spite of what the Minister said—and they are near to bankruptcy in their accounts, it is utterly outlandish to ask us to vote £739,000 for the Territorials.

I am not condemning the Minister, nor, for one moment, am I anxious to criticise his Department, but I am saying that a Department must be logical and consistent. If economies are to be practised and sacrifices are to be made, they must be made all round in the best interests of the nation. To spend £739,000 for military manoeuvres with Territorials, and for playing at sham soldiers, is a waste of the country's money. It could be much better expended in depressed areas like Durham, Liverpool, and other places where people are anxiously waiting to know what they will have to pay in rates in April. If the money were given to depressed areas instead of being applied to the game of toy soldiers, it would be much better for all concerned. I am bound to say these words. No one should come to this House and ask for such a large sum of money for this purpose. It appears to me to be a nonsensical way of doing things.

I sometimes wonder whether it is Bedlam or the House of Commons that I am in. When I point out that two and two make four I am told that I am wrong. If it were to protect the nation, or if it were genuine expense on the Army or Navy, I should have no objection. I am by no means a little Englander. I believe that we have a right to protection. I believe that if other people arm, so should we. I believe that we have a right to protect our shores. For the life of me I cannot understand this expenditure. I shall vote against it, because I believe that it is a waste of public money which could be put to better use.

7.49 p.m.

Mr. GLUCKSTEIN: I hope that the hon. Member for the Scotland Division of Liverpool (Mr. Logan) will pardon me if I do not comment upon his speech. It strikes me that it was a very good example of the misrepresentation which these Estimates will have to suffer up and down the country. It is for that reason that I ask the Financial Secretary to the War Office to explain to us, who are loyal supporters of the National Government, what at first sight appears to be a very extraordinary state of affairs. We are voting £38,000,000, and I regret the lack of interest which this House apparently takes in the matter. That sum represents an increase of about £1,500,000 on last year's figure. It is represented very largely by increases in warlike stores and, of course, by the grant to the Territorial Army. As far as the Territorial Army is concerned, I am perfectly prepared, and so I think are most hon. Members, to defend the grant for the purpose of the camps, because it is clear, as anyone who has talked to Territorial officers well knows, that if that grant had not been made this year you might just as well have disbanded the whole Territorial Army. It is perfectly useless to have a Territorial force if it does not go to camp. The falling off in recruiting is clearly the result of the cancellation of the camp last year.

That is not a subject upon which I feel any diffidence, where the electors are concerned. My quarrel with these Esti-

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mates is the same as I had last year. It is that the economies which could be carried out in the Army service have not been carried out. I gather that the Financial Secretary asked again this year for suggested economies. Although I am not a very old Parliamentary bird, I am not going to be caught with that chaff again this year. All I will say upon it is that I advise my hon. Friend to look at the recommendations in the Economy Report of the 1922 Committee. Those recommendations are for immediate economies, and I hope and believe that they would reduce the expenditure on the Army without decreasing its efficiency. I am not encouraged, after what occurred to me last year, to go further into the question and to discuss with the Financial Secretary to the War Office the question, for example, of the Non-Effective Vote, a large Vote of £8,000,000, upon which I made suggestions which do not appear to have been put into operation or even to have been considered.

There are other matters which I think should be elucidated. I wonder how many hon. Members realise that the Army last year spent £150,000 on stationery and printing, and that this year it will spend about £138,000 on this item when the Army numbers only 148,000 men. Is not that the kind of thing which might well be investigated? I can only describe the consideration by this House of a book of Estimates of 350 pages as a pious futility. How can we, in the course of a Debate of some three or four hours, usefully go into details? We cannot be expected to do so. I do not believe that anybody from the War Office thinks or hopes that we will. We can only skim them, and then conduct a sort of cavalry charge on our respective hobby-horses over the ground that is covered each year by hon. Members.

The Financial Secretary asked for suggestions, and I propose to make two. I suggest that we carry out the recommendations of the Economy Committee dealing with the appointment of a special committee to consider the whole of the Army and the question of Imperial defence, and to go into the whole question of expenditure and co-ordination. We cannot be expected to consider matters of that sort until we know what the Government's defence policy is. Here is the Memorandum produced by the Secretary of State for War, and on the back of it, on page 8, there is the statement about Works Services, and the necessity for replacing huts and camps and things of that sort. How can we determine, until we know what the Government's defence policy is, whether most of those places are not hopelessly obsolete and ought to be scrapped altogether, and whether the defence policy ought to produce a concentration of the Forces of the Crown in other places? We do not know, and we cannot discuss the matter. The necessary preliminary must be the appointment of a committee with full powers to investigate and to report.

I should like to see one other reform carried out. The third Recommendation of the Economy Committee's Report consisted in a demand that this House should regain financial control over the Estimates. I am fortified in that Recommendation by the Report of the Committee on Procedure over which the Minister of Mines presided and which reported last year. That committee considered the whole of this question of the Estimates, and it came to the conclusion that the financial control of the House of Commons was very defective. It made Recommendations as to how that financial control could be resumed. One of the Recommendations was an increase in the size of the Estimates Committee, and to that I would add the splitting up of the Estimates Committee into smaller bodies to consider Estimates like this, so that it should not be possible for them to be brought to us a week before they are to be voted without ever having been considered by a committee, but left to each individual Member's consideration and criticism.

Every Vote ought to be the subject of very rigorous examination. It ought to be the duty of every hon. Member, and he should be compelled to attend a committee dealing with some particular Estimate, that is if we are ever to regain real control over public expenditure. That is not an impracticable suggestion; it is not my suggestion at all, but it is made by the Committee on Procedure which heard a very large number of witnesses. It came to this conclusion last year, and I hope that the Financial Secretary will strongly urge it upon his immediate chief, who in his turn will urge it upon the Cabinet. I hope that the three statutory Supply Days suggested in that Recommendation will be adopted, so that the Estimates can be discussed not merely upon the usual opposition Motion, and that as a result there may be a real consideration of the Estimates and all that they stand for. If we are to regain our proper control of expenditure, if the Budget is to be balanced and economies are to be effected, we cannot do it except by the means that I suggest, and this Debate provides an opportunity of putting such a proposal forward in connection with the Army Estimates.

8.0 p.m.

Mr. COOPER: The Debate has been so interesting, and the contributions of the various hon. Members who have spoken have been so valuable, that it is extremely difficult to reply, and I hope I shall not offend any hon. Members if it is found that I have dealt unsatisfactorily or at insufficient length with the suggestions that have been made and the questions that have been asked. I think that 13 hon. Members have spoken in the Debate. It is obvious that, if I dealt properly with every one of those speeches, I should have to detain the House for a great deal more than an hour, and I hope not to occupy more than half that time.

The hon. Member for East Nottingham (Mr. Gluckstein) referred in ominous terms to something that happened to him last year, which, however, did not discourage him from taking part in the Debate this year. I do not know to what he was referring. I have consulted the account of the Debate last year, and I find that, although I endeavoured to reply to some of the points that he made on that occasion, I did not have time to reply to every one of them. In the same way I had not time to reply to every question asked by the hon. Member for Limehouse (Mr. Attlee), who also was inclined to complain that he did not receive full measure in my reply last year. I have made notes of every Member's speech in the present Debate, and against almost every one of them I have noted at least three or four points of substance. I am sure that the House will recognise that it is impossible for me to answer them all.

With reference to the observation of the hon. Member for East Nottingham as to the difficulty of discussing Estimates in Debate in the House of Commons, I must point out that that is part of the general problem of the congestion of business at the present time. When the hon. Member spoke of having a special Committee of Members, I suppose that what he had in mind was a small Select Committee to consider the Estimates of each Department. Apparently he forgets the Public Accounts Committee, which goes into the expenditure of every Department every year, and before which the permanent officials appear and answer questions. The Public Accounts Committee really does much, if not all, of the work that the hon. Member suggests ought to be done by such committees as he has in mind.

Mr. LANSBURY: Is not that done afterwards? It is a post-mortem examination.

Mr. GLUCKSTEIN: It is not done until after the money has been spent.

Mr. COOPER: Since the items are similar year by year, it does give the information that hon. Members want, and, should they desire to put forward any criticisms of abuses, they can do so on the next available occasion in the House of Commons.

Mr. MORGAN JONES: As Chairman of the Public Accounts Committee, may I point out that that Committee does not begin to examine the accounts of these Departments until at least three months after the end of the financial year?

Mr. COOPER: That does not affect the point that the Public Accounts Committee does to a large extent perform the duties which the hon. Member for East Nottingham suggests should be performed by such committees as he has in mind. It would be very difficult, moreover, to find the time when such committees could sit. Even at present we are only able to get the necessary sanction for our Estimates in time for them to be debated before the end of the financial year. These Estimates are gone into very carefully, first by all the different branches concerned, and then by the Army Council as a whole, where every point is brought out. If, after that examination, which cannot be completed until very near the end of the financial year, the Estimates had to be submitted again to another special

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Select Committee of the House of Commons, I am afraid the delay would be so great as to render it almost impracticable to carry out the suggestion.

The hon. Member for Limehouse began by expressing regret, in which he was joined by several other hon. Members, that nothing had been said about disarmament, but I noticed that, having expressed that regret, they on their side said nothing about disarmament. They did not say that our Army was too big for our requirements, that it was unnecessary for us to maintain so many battalions of infantry, that we could easily reduce what was now being spent on artillery. They did not ask, "Why not cut down the cavalry?" If they had made some practical suggestion about disarmament, it would have given me at least something to reply to on that head. I said nothing about disarmament in my opening speech, because I took it as an axiom that our Army at the present time cannot be considered by any reasonable person in the country to be too large, and could not be considered by any foreign country to be a menace to the peace of the world. In the same way I thought that a great deal of the argument of the hon. Member for the Scotland Division (Mr. Logan) was vitiated when he asked why this money should be spent at the present time, when there was no threat of war.

Mr. LOGAN: On the Territorial Army.

Mr. COOPER: That is not really an argument at all. We have to keep up an Army all the year round and every year, as though there were going to be a war to-morrow. It might be said that because there was no certainty of war the Army might be allowed to become inefficient, and the Territorial Army might be disbanded, but I do not think that even the hon. Member would go as far as that. He counselled us not to spend this money on the Army this year because there did not appear to be an immediate prospect of war. Pushed to its logical conclusion, that means that the Army might be allowed to disappear altogether, in the hope that there would be no war. With regard to the Territorial camps, I should like to point out to the hon. Member for Limehouse that he is quite wrong in describing them as a holiday. I used the word "holiday" in my speech in the sense that I wanted to urge every employer of these men to give them a holiday from their work in order that they might go into camp. It is not by any means a holiday, although an almost entire change of labour and of conditions would be just as beneficial as a real holiday.

Mr. ATTLEE: I do not think that the hon. Gentleman has quite realised the point that I made. The point was that the whole question whether we had security or not depended to a large extent upon what was done at the Disarmament Conference.

Mr. COOPER: I agree, but I am sure that the hon. Gentleman will agree with me that that is not a question which could possibly be debated on the Army Estimates.

Mr. PIKE: Is it not true that a very large number of the men who will be going to Territorial camps this year are at the moment, and have been for some time, in receipt of public assistance; and will not their attendance at camp to that extent relieve the public funds of expense?

Mr. COOPER: It is quite true that a great many men who are now unemployed will gain both beneficial occupation and a pleasant and healthy change. The hon. Member for Limehouse went on to express regret, as other speakers did, that we could not here and now discuss the question of a Ministry of Defence. They included the hon. and gallant Member for Carlisle (Brigadier-General Spears), who, however, having expressed his regret that that question could not be discussed, proceeded to discuss it. For that reason I am afraid I cannot reply to some of the questions that he asked and the criticisms that he made. We always remind the Leader of the Opposition on these occasions that it is within their power, whenever they wish to do so, to arrange for a Debate on this question by putting down the Vote for the Committee of Imperial Defence for discussion in the House.

My hon. and gallant Friend the Member for the Abbey Division of Westminster (Captain Herbert) raised the very important point—and he was supported by the hon. and gallant Member for Aston (Captain Hope) and the hon. and gallant Member for Knutsford (Brigadier-General Makins)—of the amalgamation of Woolwich and Sandhurst. One of his supporters was himself an old Woolwich cadet. The difficulty of this suggested alteration and of this suggested economy—because it would no doubt eventually prove to be an economy —is that it would probably necessitate, as so many economies do, an initial capital expenditure. It would almost inevitably be necessary to put up a new building at Sandhurst, while as my hon. and gallant Friend said, we have also to reckon with the natural feeling of those who have been educated at Woolwich— which is an ancient institution, being 200 years old—against any threat of its disappearance. It is possible also that, if it were decided to extend the course at these two academies from the present period of 18 months to two years, as has been urged, there would not be sufficient accommodation at Sandhurst to house all the cadets at one time. Nevertheless, so strong a case has been made for the suggestion this evening, and so unanimous an opinion has been expressed by Members in all quarters of the Committee, that I will undertake to have this matter given careful consideration in order to see whether anything can be done in the direction desired.

The hon. Member for Limehouse raised one or two minor points, such as the amount provided this year for the purchase of land. He wished to know where those purchases were, but I think it will be apparent to him on reflection that we cannot very well inform the House where it is that we intend to purchase land, as such an announcement would no doubt increase the idea that vendors have of the value of the land that they have to sell.

Mr. ATTLEE: Is it at home or abroad?

Mr. COOPER: I could not say. The increase in warlike stores, to which the hon. Member also referred, is due to the reductions that were made in our purchases last year, and to the fact that such purchases have become inevitable this year. The hon. Member for East Birkenhead (Mr. White) asked why the War Office staff had been increased. When I was replying to the Debate last year, I gave a summary in reply to a similar question, and I think the hon. Member must either have listened to my speech on that occasion or have refreshed his memory, because he quoted from the remarks that I then made. I reminded the House that since the War seven separate committees had sat to consider the question of the War Office staff, and they were satisfied that it was not too large for its requirements. I do not propose to repeat all the arguments that I used on that occasion, but I would remind the hon. Member, who a few months ago was Assistant Postmaster-General, that, in the period during which the War Office staff was increased from, I think, something like 1,878 to 2,247 the Post Office staff was increased by over 50 per cent., and I am sure that the Post Office was satisfied that that increase was necessary. My hon. Friend will no doubt tell me that the number of letters posted and telegrams despatched has now increased out of all proportion to the figures of 1914. That is true, and I would say that many of those letters, as I know to my cost, are addressed to the War Office and are sent from the War Office; and that is one of many reasons why the staff has increased so largely of recent years.

With regard to the Army Clothing Factory, I do not think that the situation is really clearly understood. It is not as though the factory were going on happily and could have gone on for ever. A decision regarding it had to be taken. The hon. Member for East Birkenhead quoted with some force the fact that two years earlier an official of the factory had stated before a commission that it was working very satisfactorily and economically, and was in every way a very desirable factory. He says that, in spite of that, a few years later we abolished the factory in order to make economies. He should remember that there was no possibility of our continuing the factory where it then stood. The lease was coming to an end, it was an unsuitable place for a factory and, no doubt, had we sought to renew the lease, we should have had to pay a very much larger sum.

Therefore, the question arose whether it was desirable to set up another factory and it was found that, although part of their work, the full dress work, which they were carrying out at that time was done more cheaply at the factory, on the other hand the greater part of their work, the ordinary service dress, could be

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furnished by the trade more cheaply than the factory could produce it. It was decided that it was better to get that kind of dress from the people who made it more cheaply. Then the question arose whether it was worth while continuing the setting up of a new factory for the manufacture of this single article of full dress. If it could have been shown that the article could be made cheaply by the trade, no ground could have been put forward for setting up a special factory for that single purpose. I am sure that even hon. Members opposite will agree with the view that I always take in regard to this question. Either you should have one Government Clothing Department for all the clothing worn by all Government servants, including Army, Navy and Post Office, which could be made a workable proposition, or else we should get it all from the trade. To set up a small factory to make one particular kind of garment was, on the face of it, not a workable proposition.

The hon. Member for Leigh had some interesting contributions to make to the problem of the clothing of the troops, and my hon. Friend the Member for Aston also put forward a point of view which was supported by the hon. Member for Chester-le-Street. I will see that those recommendations are conveyed to the proper quarter, but I can inform the hon. Member for Leigh—it may be some satisfaction to him to know it—that, so far, it seems to be his view that is prevailing with the Committee, since I understand that, in the new clothing, puttees have been abolished and there is an open neck without any high collar, and without even the necessity of wearing a tie. Whether this ideal can be combined with the dignity of appearance to which other hon. Members rightly attach considerable importance remains to be seen. I do not think the hon. Member for Leigh was in the House when his figures with regard to the Household Cavalry of the Line were corrected by my hon. and gallant Friend the Member for Ludlow (Lieut.-Colonel Windsor-Clive). He will find, on reconsulting the Army Estimates, that a regiment of the Household Cavalry costs only £2,000 or £3,000 more than a regiment of the line, and that is partly due to the greater expense of their uniform.

I do not want the hon. Member to go away with the impression that he sometimes seems to convey to the House that those distinguished regiments do nothing at all except ride from one part of London to another. They are as frequently called upon for active service as any other regiment and they have as fine a tradition as fighting regiments as any others. I will not go into a long discussion with him as to the desirability of maintaining some full dress in the British Army, but there are two opinions on the question. I hold very strongly that the expense is well made up for by the appearance of the soldiers so dressed. If you took a referendum of the people of the country as to what they thought about it, I think they would say they would gladly pay the almost negligible sum per head of the population in taxation in order to keep up the remnant of the parade and ceremony which were once more apparent than they are to-day.

When he comes to questioning whether I and my Noble Friends in another place are too many Ministers for one Department, I feel that I am treading on rather delicate ground. I can assure him that plenty of work is found for all three Ministers, and that in other Departments where there are only two Ministers there are frequent complaints that they are overworked. I am sure that, if the number of Ministers were reduced in the War Department, we should complain that we were overworked and of the many complaints that I have made in the last two years, that is the one complaint that I have not yet made. So it would be really a misfortune if that additional cause of grievance were added to the many that we have already. I think, on the other hand, that perhaps it would be better if the example given—there are only two Departments in which there are three Ministers—were followed by other Departments. I am sure that the majority of Ministers do not have much time for their work and in the majority of the Departments they could very easily do with another Minister to assist them in the many demands that are made upon them. For the last 100 years or more there have been two or more in each Department. Of recent years the work has increased out of all measure and the suggestion that the number of Ministers should be cut down is one which will really not bear investigation and which

I should be quite prepared to have put before one of those inquisitorial committees which the hon. Member for East Nottingham is so eager to appoint.

My hon. and gallant Friend the Member for East Hull (Brigadier-General Nation) asked us about cadets, what we were paying for them this year, and what we were doing to assist them to go to camp. We pay nothing at all for cadets. That was made plain at the time we re-recognised the cadet corps. Our attitude to them was simply, "We will do anything for you. We like and admire you. Any help that we can give we will but, for Heaven's sake, do not ask us for a penny of money, because you will not get it." That is the attitude we have taken up from the first. My hon. and gallant Friend also criticised the number of senior officers and said it should be reduced. He also went so far, I understood, as to suggest that retired pay should be abolished altogether. I do not know how many of his fellow retired colleagues he has consulted before putting that suggestion forward but I am sure it is not one that would be very popular, and I do not see that it is one that any Government could possibly justify that you should dismiss servants of the State after many years service and give them no pension whatever.

Mr. ROSS: I think my hon. and gallant Friend said half pay.

Mr. COOPER: It is necessary to keep a large number of senior officers on half pay. It is necessary to have a certain number to select from when appointments come along. In the same way, it is necessary to have a large number of officers in comparison with men. The British Army, so small and so inadequate as it is for the tremendous demands which may be made upon it, and which have been made upon it in the past, must be one that is capable of expansion and, whereas it takes a comparatively short time to train a private soldier, it takes a long time to train an officer and you must have a larger proportion of officers in comparison with private soldiers than you would have in a conscripted Army.

Sir JOSEPH NALL: Is that a reason for maintaining six Field-Marshals?

Mr. COOPER: I do not think my hon. and gallant Friend was here when I spoke earlier in the day. I dealt with Field-Marshals then. The question that my hon. and gallant Friend the Member for Aston raised, of the number of horses and the abolition of the light horse breeding scheme, is one that I have gone carefully into. We have registration of horses all over the country which we could rely upon and avail ourselves of at any time of mobilisation and we believe and hope that, despite the lack of assistance that we are now given by the light horse-breeding scheme, we shall have at all times a sufficient supply of light horses to satisfy our needs. He also dealt with the question of the movement of troops. Since last year we have saved a certain amount of money in this direction. No doubt, if the hon. and gallant Member goes on raising it every year we shall have each time a slight reduction until his wishes are completely met.

My hon. and gallant Friend the Member for Carlisle (Brigadier - General Spears) asked me broadly why we had not dealt with any of the subjects that have been recommended by the private members committee. There is a list of some 32 subjects, and I thought it would shorten my speech if I left it to the Members themselves to bring up one or two of those subjects rather than give an answer to all the 32 one after the other. It is interesting to note that he himself only brought out one of them, and that is the recommendation that we should publish the names of all officers drawing special awards. The only reason why that suggestion is not adopted is because it would involve considerable expense and would not be justified by the desire of a majority of Members for the information. Invariably when you find hon. Members talking about economy, the only suggestion which they feel strongly about is one which involves further expenditure.

Brigadier-General SPEARS: It is not quite fair to say that only one point was brought out by me, because owing to the late hour I was asked to curtail my speech, and so I only selected one point not dealt with by other Members.

Mr. COOPER: I apologise to my hon. and gallant Friend but I could not help taking advantage. The hon. Member for Londonderry (Mr. Ross) raised one or two points of importance about the question of mechanisation and wanted to

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know our policy with regard to mechanisation. He referred to a particular instance in which he found that the expenditure upon horses had been increased and that upon machines had been reduced. I have not had time to look up the particular point he mentioned, but I imagine that it occurred in a case where the machines had been withdrawn and where, with regard to horses, and in accordance with previous policy, renewal was needed. Our policy with regard to mechanisation is perfectly plain. We mean to go on with it and to proceed gradually with the mechanisation of transport throughout the Army and the Territorial Army. It must be a gradual process. It is a mistake to go too quickly and to buy machines which may prove obsolete or unworthy before they actually come into operation. We are going steadily forward in one direction. With regard to the new light machine-gun, that again is a matter which is still under consideration and the delay, which no one regrets more than I do, in coming to a decision is solely due to making sure that they get the right weapon and go in the right direction by right methods.

Mr. ROSS: We are very anxious about anti-tank guns.

Mr. COOPER: The question with regard to anti-tank guns is the same as that with regard to various other new inventions with which we are dealing and making experiments. I think that I have dealt with the majority of the points that have been raised. I see that I have forgotten to reply to the question of the hon. Member for Chester-le-Street (Mr. Lawson) about subsidised lorries. There is a certain kind of six-wheeled lorry of very great value to the Army which at present—I am not certain that they will not have in the future—have no commercial market, and therefore no firm will use them simply to supply the War Office unless subsidies are paid to them. It is necessary that we should pay a subsidy to the firm which uses them, and we hope that in time to come that subsidy will not be necessary. I regard the points which have been raised by hon. Members as of real substance. They have been very helpful, and I am grateful to them for the assistance which they have given in the Debate, and I am sure that the War Office will appreciate the suggestions which they have made.

TERRITORIAL ARMY.

8.30 p.m.

Captain WATT: I beg to move, to leave out from the word "That," to the end of the Question, and to add instead thereof the words:

> "this House, realising the importance to the country of a strong and efficient Territorial Army, urges His Majesty's Government to encourage and stimulate recruiting in every way in order to bring the Territorial Army to its full peace establishment and to do everything in their power to maintain and increase its efficiency."

As a Territorial soldier, I welcome this opportunity of drawing attention to the Territorial Army in this House, for it is not often that the Territorial point of view is placed before its Members. It is not often that there is any particular stress laid upon this vital and integral part of the armed forces of the Crown. It is an organisation which, as the Financial Secretary has said this afternoon, carries on at all times valuable and important work under great difficulties, and, in many cases, with considerable inconvenience to the Members who compose it. The year 1932 in particular was by no means an easy year for the Territorials. They suffered much in efficiency and in numbers as a result of the sacrifice which they were called upon to make in the name of economy. Those sacrifices and burdens at the time were gladly borne as it was their contribution to the National effort. They now feel, however, that, in order to counteract the ill effects which resulted from those sacrifices, special efforts must now be made on their behalf. The Financial Secretary's extremely able speech this afternoon, and particularly his sympathetic reference to Britain's second line Army, will I am sure do much to encourage, stimulate and renew interest in the Territorials, and will, at the same time, remove many of the uncertainties, misconceptions, and difficulties which exist.

The three chief obstacles which the Territorial Army has had to face in the last 18 months have been reduction of War Office grants, which have made the question of administration by no means easy, the cancellation of camps in 1932, and the tardy announcement that camps will be held this year. Those factors have reacted detrimentally upon the strength and efficiency of all ranks, as is seen when we compare the recruiting figures of 1931 with those of 1932. In September, 1931, there were 30,000 recruits, whereas in the year September, 1932, when recruiting was deplorably lacking there were only 14,000, less than half the number of recruits approved in the previous year. This is a very serious state of affairs, and particularly when the wastage is taken into consideration. I mean by the wastage, those men who leave the Army after the expiration of their service or for any other reason. For example, in the month of January of this year we find that while 1,617 recruits were finally approved for service, 2,156 men left the Army, making a net loss in that month of 539. The same is true of the preceding months. In the last few weeks the recruiting on the whole has been much better but is still bad, though the recent announcement that camps would be held this year has already acted as a fine stimulus.

There can be no doubt, despite what the hon. Member for Limehouse (Mr. Attlee) said this afternoon, that to have gone without camps for two years in succession would have been a devastating policy and would, in my opinion, kill the Territorial Army altogether, for camps are the axis round which the entire organisation of the Territorial Army revolves year after year, and they form the only real recruiting ground for the next 12 months. The statistics issued in Army Estimates show that the Territorial Army, as the Financial Secretary pointed out this afternoon, is some 44,000 men short of its establishment of 162,000. The strength on the 1st February was only 119,628. These figures indicate a considerable and an alarming drop in numbers over the figures for the corresponding period of last year. It is a serious position especially when it is remembered that there is no longer any militia for us to fall back upon and that the numbers of the Army Reserve are strictly limited. It would be a disaster if the Territorial Army was allowed to dwindle away like this, for if it did it would make all the more difficult a reduction in the Regular Army, which might come about by virtue of any agreement between the Powers in regard to disarmament. It is only with the knowledge that we have a strong and efficient defensive Army ready for use that we are able to press forward our claims for lower armaments on the rest of the world. Without the Territorial Army that would be a step which any Government would hesitate to take. The alternative to an efficient Territorial Army can only be an increase of the Regular Army and that would involve far greater expense to the country. On the other hand, with the Territorial Army at full strength it is possible that further cuts may yet be made in the Regular Army, provided that other countries agree to similar and corresponding cuts.

I suggest that a reduction could be made in the Regular Army, when the time comes, by abolishing or at least modifying the traditional idea of having one Infantry battalion at home and one abroad. Instead of having one Infantry battalion at home it might be possible to have a stronger and better equipped depot, from which could be sent drafts to foreign stations. That would effect a considerable reduction in personnel and of expenditure, and with an efficient Territorial Army carrying out still further obligations there would be no diminution of security. The obligations of the Territorials have becomes greater and greater, and with the handing over to them of coast defence and a large part of Air defence, enlistment in the Territorial Army now means more than ever that the officers and the men are assuming a more serious responsibility in performing voluntarily a public service of vital national need.

The Territorial Army is not merely a movement, like the Boy Scouts or the Boys' Brigade, great as those movements are, but an integral part of the Defence Forces of the Crown, and as such they deserve more support and recognition. That is the first thing that the Territorial Army asks, namely, that it should have definite, wholehearted and more active support from the Government. At times the Territorials have felt that the War Office and the Government have not been fully conscious of the difficulties with which the Territorial Army is confronted. That feeling is probably exaggerated, but not altogether unfounded, for some of their actions within recent times seem to have shown very little appreciation of the problems involved. I make these observations in all sincerity and earnestness.

[Captain Watt.]

For example, when in September, 1931, it was decided, for financial reasons, to restrict recruiting, instructions were issued from the War Office to the effect that the maximum strength of all units had to be reduced to 97 per cent. of the strength of any particular unit on the 1st August, 1931. In order to get down to that figure cases were not infrequent where men had to be dropped out of the Service who might have continued service longer, and many admirable recruits were turned away during the period that that Order was in operation. Then there followed the Order cancelling the camps for 1932, and recruiting fell off badly. It was bound to do so. That evidently came as a shock to the War Office, because the Order in Council was hastily rescinded. But the restrictions were withdrawn and the Order was withdrawn too late, because the damage had been done. My criticism is not so much of the policy but of the method. If the Government considered that a reduction in numbers was necessary, it should have been possible to have achieved that result by arrangements with units without the hasty issue of orders and an equally hasty cancellation, when it was too late. The Department of the War Office which makes a special study of the Territorial Army ought to have known that cancellation of the camps, or even talk of cancellation, would reduce the number of recruits automatically.

Speaking in the House a short time ago, in reply to a question, and again this afternoon, the Financial Secretary intimated that, as a stimulus to recruiting, a review will be held in London, but that it will be confined to the two London Divisions. That is all very well if it is meant to raise the strength of the London units, but if it is meant to be an honour or reward to the Territorial Army, then I think the review ought to be composed of representative detachments from the whole of the Territorial Army from all over the country, giving pride of place to those units which have the biggest strengths. If it is meant for London only, then the honour will be going to the two worst units from the recruiting point of view. It would be unwise to hold a review for the London units unless it was clearly stated that it was an effort made by the London district to help the London units, and not an honour conferred on the Territorial Army as a whole. In that case it would be far better to call it an inspection and not a review.

Admittedly, London's problems are quite different from those of other commands. If the Government and the War Office think that a review of this kind would stimulate recruiting in other areas, well and good, but for my part I believe that the chief reason why the London units are still so much below strength is that no longer are many of these units in suitable recruiting districts. It would be better for the Government to take the brigade's and ancillary troops away from their old districts altogether, and to begin afresh in the new suburbs which have sprung up since the War, where the best and perhaps some of the most suitable types of potential recruits are to be found. That policy would involve a good deal of expenditure and may not be possible at the present time, but it is a suggestion which the Financial Secretary and the Government ought to keep in mind, because that is the only way in which the London units, and particularly the technical units, could get up to full strength.

To effect alterations of that kind and to get the Territorial Army appreciated at its proper value there ought to be Territorial Army officers at the War Office and on the staffs of the Territorial Brigades and the Territorial Divisions. If that is found not to be suitable or convenient, then, at the least, there ought to be a Territorial Army general officer at the War Office, in order to advise the Director-General of the Territorial Army. He could act as a technical officer or assessor. Although that suggestion has been put forward at various times no valid reason has ever been given why that appointment should not be made. There are men well qualified to do the job and willing to give the necessary time to do the necessary work.

There is ample room for progress in the relations of the Army Council with the Territorial Army, particularly in regard to the question of conditions of service. That is a matter in regard to which there is dissatisfaction. It centres round what is popularly called the pledge that the man takes when he joins the Army. This is a matter of supreme importance, because it cuts at the roots of the whole Territorial Army. There is much uncertainty and a good deal of feeling as to what this pledge is likely to be. When the Territorials were formed in 1907, and subsequently reconstituted after the War, it was stated, probably as an inducement to recruiting, that the men would only be called upon to serve with their own friends and units. Now, there is talk that such a thing would be impossible in a future war and that the men would have to go where they were sent, just as they had to do in the last War, either to different Territorial corps, or as members of the Regular Army.

I realise the difficulties of this question, but it is the uncertainty both from the administrative and the active service point of view as to what the pledge is likely to be that is hindering the proper development of the Territorial Army at the present time. If the pledge was altered to one of general service, then it means at the very least still another sacrifice and another responsibility on the part of the Territorials. It may be that the whole question of the organisation of the Territorial Army, its status and its connection with the Army Council and the War Office will have to be reviewed. This is a difficult question, and the Army Council would be well advised to walk warily in considering it. It is uncertainties like these, the chopping and changing, that makes the Territorials disheartened. They are apt to take the edge off enthusiasm, to breed disappointment and even to cause resentment. The Territorials must be made to realise that they are being taken seriously and not merely shoved about from pillar to post by some whim or fancy.

I trust that during the forthcoming lecture tour, which I understand is being made, indeed has been begun, by the Under-Secretary of State, that any doubts on this question will be swept away. I congratulate the Under-Secretary of State on making this tour. I feel that more could be done by the Government and by responsible Members of it to push the Territorial Army in public on every possible occasion, and I am quite certain that a recruiting campaign of this kind will be of considerable value. But valuable as meetings and speeches undoubtedly are, what is required more than all the oratory in the world is a better appreciation of the psychology of the Territorial soldier and a greater show of sympathy in making small concessions which would go further in keeping up the strength of the units than anything else.

There has been a great deal of unreasonable talk and propaganda against the Territorial Army on the ground of disarmament, and it has undoubtedly affected recruiting. It is perfectly clear, from statements made in various quarters, that there has been some misapprehension as to the relations between the Territorial Army and the ideas of the League of Nations for peace and disarmament. Disarmament, short of international agreement, can and must only be governed by the minimum requirements of security, but when this security proviso is understressed, or insufficiently stressed, there is a danger that the potential recruit will get the impression that he is not wanted. That is what has happened in many cases. There has been so much talk, quite proper talk, about disarmament and so little talk about the necessity of security that many men think that there is no need any longer to join the Territorial Army. That is an impression which the Secretary of State can correct by pointing out to the nation and to the potential soldier that by joining the Territorial Army he is not doing anything to impair the peace of the world, but is actually strengthening our national and Imperial position alike. It cannot be too strongly stressed that the existence of a strong and efficient Territorial Army is not incompatible with our views on disarmament and is in no way contrary to our relations with the League of Nations, as is recognised in a pamphlet recently published by the League of Nations Union.

The Territorial Army menaces no one with aggression, for by its very nature and conditions of service it cannot be anything else but a defensive organisation. It requires time for expansion, mobilisation and training and, therefore, cannot be by the greatest stretch of imagination a menace to the peace of the world. On the other hand, it provides a physical indication of our intention not only to fulfil our international obligations should one be required to do so but also to defend our own country should the emergency arise. In view of recent reductions and possible further reductions in the Regular Army the importance of the Territorial Army as a national reserve has become greater than

[Captain Watt.]

at any time in the chequered history of the corps. I urge the Financial Secretary and the Government to do everything in their power to make the Territorial Army not only more efficient and up to strength, but an organisation of which the whole nation may be proud.

8.49 p.m.

Colonel BALDWIN-WEBB: I beg to second the Amendment. The House is indebted to the hon. and gallant Member for Keighley (Captain Watt) for his choice of subject, and the Territorial Army generally will recognise that in him we have an officer who has at heart the best interests of the force. I should like to pay my tribute to the Financial Secretary, in whom we believe we have a good friend. I hope that my remarks this evening will be taken as a desire to help the Financial Secretary and the Department. The responsibilities of the Territorial Army are wider and greater than they have ever been before. It is essentially a defensive force. It has to defend these shores, and in view of the fact that our Regular Army has been reduced to such a point the responsibility of replacing it at home is such that I feel I am on safe ground in urging that we must see that the Territorial Army is maintained at full strength and full efficiency. It is also a good cause. The Territorial soldier must be a good citizen. He is disciplined, taught self restraint, and it is good that we should have units of such men scattered about the country. In my own area it is a source of pride to many villages and small towns to have a Territorial unit. It does an immense amount of good. A disciplined force of citizen soldiers in China, in my opinion, would have prevented the invasion which we have recently seen.

I endorse the remarks of the hon. and gallant Member for Keighley when he said that an efficient Territorial or citizen army enables us to go further and with greater confidence in real disarmament. It is the right line to take. Real disarmament can only be carried out when we have confidence in a citizen army. A severe blow was dealt to the Territorial Army when camp was suspended last year, but out of evil cometh good. There has been a far greater feeling of comradeship and friendship between the regular Army and the Territorial Army since last year, which will have beneficial results in the future. The statement that annual training will be carried out this year is already having a good effect upon recruiting in the county of Staffordshire. For the month of February enlistments show an increase of 60 over the same month last year, and of 10 over those of 1931. I think the sites for annual camps deserve attention. In my opinion it is necessary that the Territorial Army should have one seaside camp every other year.

The Government can help the Territorial Army by encouraging employers, local authorities and public bodies generally, to give the necessary time for the men to attend annual training. My experience is that conditions vary very much. In some parts of the country employers make up the pay of the men who are away training, in other parts of the country it is difficult to get permission for the men to attend their annual training. I hope the Financial Secretary will take steps to urge upon local bodies the necessity for granting the men these facilities. Whilst there is complete liaison between the Regular Army and the Territorial Army, I am afraid that as regards the administration in the War Office there is a feeling that a policy of pin pricks goes on in some ways. It is difficult for the Territorial soldier to understand what is wanted and why he is treated so differently. The Financial Secretary has told us this evening that savings on certain departments can be spent frequently in another department. In the case of the Territorial Army if a saving is made in one branch no allowance is made in another, with the result that confusion arises. If certain grants are inadequate, others are too large. I would like to see equal treatment of both Armies. It must be remembered that the Territorial Army, man and officer, is giving its spare time to this work. It should be given far greater consideration and should not be submerged in a mass of red tape and correspondence, as is so common now.

A few words about the establishment of the Territorial Army. Many of the departmental branches, like the Royal Army Service Corps, Royal Engineers, and Royal Army Medical Corps, are so small that efficient training is impossible. For instance, take the case of the

Divisional Royal Army Service Corps. Whereas before the War the establishment of men and materiel was something like 94 per cent., to-day it is less than 9 per cent., with the result that there must be considerable delay in time of emergency before this essential part of divisional organisation can function properly. The mechanisation of the Territorial Army should be carried out on lines similar to those of the Regular Army. I would like to see Territorial units responsible for the maintenance and repair of their own vehicles. Now the units are responsible only for running repairs. It is necessary that they should be given greater responsibility, so that by carrying out that work they may be training their personnel in readiness for the time when they may be wanted.

The Territorial soldier when once trained does not, in my opinion, have a proper opportunity of keeping himself trained. Certain units, the Royal Artillery in particular, have no allotment of ammunition, once they have been trained. It may be that a Territorial soldier goes on for years and never fires a gun. That is a very serious matter and should have the attention of the Financial Secretary. I wish to say something also about the pledge, to which reference has been made. In my opinion the change of attitude of the War Office, coming at this time, is far more serious than we realise. A well-informed letter on the subject appears in the "Times" this morning, and I will read this passage:

> "Take away the pledge and we are back to the condition of the Territorial and Reserve Forces Act of 1907. The Territorial and Reserve Forces Act laid down clearly that a man in the Territorial Army could not be compulsorily transferred outside his own corps, and that he could not be compulsorily transferred to the Regular Army. In place of these two restrictions, which many may think sufficiently elastic, the War Office is suggesting the introduction of general service. This is the second proposed alterations, and goes far beyond the mere removal of the pledge. The legal effect of the suggested new terms for enlistment would be to make the Territorial Army available for draft-finding purposes to the Regular Army."

I sincerely hope that the War Office will give very careful consideration to the matter before this step is taken. I have here a telegram from a battalion commander in the North of England, who says:

> "I absolutely agree with the letter in to-day's 'Times' and hope that careful thought will be given to the matter."

I would again pay my tribute to the Mover of this Resolution and express our indebtedness to him for choosing this subject.

9.2 p.m.

Mr. PRICE: I oppose this Amendment and must express my surprise at hearing a discussion like this so soon after the Debate in which the Lord President of the Council warned the country and this House of the meaning of a future war. I recall that the Lord President of the Council outlined the dangers of any future war, and showed how life in all its phases would be eliminated and civilisation practically wiped out.

Captain WATT: I do not care to interrupt, but what I said was that having an efficient Territorial Army was in no way incompatible with our views on disarmament.

Mr. PRICE: I am quite aware of what the hon. Member said. I listened to his speech, and he put his own point of view very well, but I cannot agree with his Motion. The Lord President of the Council, in the speech to which I have referred, spoke of the danger in the air. He told us that future wars would be fought in the air. He made an appeal to the young men and women of this country and of the world to recognise this danger. I am surprised to-night to hear young Members of this House suggest the enlargement and building up of Home forces, which inevitably can be of no use unless their advocates have in mind some future war. That is what the training of these men has in contemplation. Such an appeal, coming from young men of the age of the Mover and Seconder of this Motion, is to me a definite indication that the warning which fell from the lips of the Lord President has had very little effect on younger Members of the Tory party.

It appears very sad to me that these Estimates should indicate an expenditure this year of more than £1,000,000 of additional money upon the Army, even without prosecuting the policy suggested in this Amendment, which would, obviously, further increase our Army Estimates. Yet this is at a time when we have a Government which, from its inception,

[Mr. Price.]

has been attacking wages, reducing unemployment benefit and expenditure on education, and other such matters on the ground that the country cannot afford to maintain these important public services. We have heard from the Financial Secretary to the War Office about the difficulty in recruiting and about the inferior condition physically and mentally of many of the recruits who have offered themselves. But it was pretty obvious that, with the conditions of distress and poverty which young men to-day have to face, such a situation would inevitably arise. I cannot understand the policy of the Government, or the attitude of its supporters who come here and ask for an increase of £1,500,000 in Army expenditure, after 18 months of the strictest economy in public services, and the cutting-down of unemployment pay, resulting in the starvation of women and children in our industrial areas.

In spite of that, not only have the Government the effrontery to ask the House for this additional sum for the Army, but we find young men, who are supporters of the Government, those who might have been expected, after the call of the Lord President of the Council, to give a lead to world peace and prosperity, advocating the building up of home defence. What is in the minds of these hon. Members when they speak of home defence? Defence against whom? Who is expected to be the invader? [AN HON. MEMBER: "Scotland!"] Why this fear? May I suggest that if the young men of this country were employed at decent wages and properly fed, you would need no Territorial Army. They would be ready to defend their country at any time they were called upon to do so. [HON. MEMBERS: "They are now!"] What are the conditions now? The hon. Member said that the Territorial Army was suffering from a want of recruits. Is that any wonder, when we see a Government deliberately lowering the standard of life of our young men in every possible way? Every Measure brought in by this Government without exception has been in that direction, and not one Measure has been brought forward that has been likely to alleviate the suffering and distress in our industrial and mining districts.

Therefore, we in this party cannot approve of spending any further money on armaments and warfare while the country's conditon is as it is at present, and while the National Government plead for economy in all other directions. If we have £1,500,000 to add to any Estimate it ought to go into the homes of the unemployed men who, with their families, have been suffering privation for the last six years. Nor can we approve of an Amendment of this description, and I am only sorry to hear young men like the two hon. and gallant Members who have spoken, putting forward such an Amendment at this time. They know that the Government which they support have attacked the standard of living of the wage-earners and sought to economise on our public services and in those circumstances it is, as I say, effrontery to expect that we who see, day by day, what is going on, should support further expenditure of this description.

9.10 p.m.

Mr. MICHAEL BEAUMONT: The hon. Member for Hemsworth (Mr. Price) will forgive me for saying that I find some difficulty in discovering the relevance of his speech to the Amendment. Some of it would have been admirable if delivered on the main Vote. Still more of it would have been pertinent to the Motion moved yesterday by the hon. Member for Bridgeton (Mr. Maxton) and some of it would have been relevant to the Foreign Office Vote. But it had little to say about the question of the efficiency of the Territorial Army which is the matter now before the House. Whatever may be said of the need or lack of need for increased military expenditure and the possibility or impossibility of future hostilities, few reasoning people doubt that, if any expenditure is justified on defence, if we are to have any form of armed forces, the Territorial Army is at once the most valuable and the most vital.

The hon. Member for Hemsworth said that if people were properly paid and had the glorious conditions of life which he and his friends so desire to give them, and so signally failed to give them during the Labour Government's time in office, the young men would be ready and willing to defend the country, if necessary. But they would not be trained if the hon. Member's ideas were followed, and in the event of a future war exactly the same thing would happen as happened in 1914. We should wait for years while we were learning how to fight. If you postulate any form of defence this form of defence, the Territorial Army, is, I repeat, the most valuable and the most vital. There is no danger of what hon. Members opposite shrink away from in their fear of militarism. There is no danger of building up an expensive standing Army. There is no danger of an armaments race which hon. Members opposite regard as a cause of war. What is being done in the Territorial Army is to train citizens, in their spare time, from the ordinary avocations of life, to be able to defend their hearths and homes if necessary. Not even the most ardent believer in the success of the international machinery which exists for the avowed purpose of promoting peace, but apparently with the successful achievement of sundry wars, can object to such a useful and valuable purpose.

I want to mention two matters affecting the Territorial Army. One, which has already been dealt with by the Mover and Seconder of the Amendment, is the question of the pledge. When that matter came before the Territorial Association, of which I am a member, I suggested that though it was perfectly true that in the event of hostilities breaking out, the strict carrying out of the pledge would be impossible, it was ill-advised and undesirable to revoke that pledge at present, in view of the fact that it was not practically possible to put anything satisfactory in its place. The excitement, if I may so term it, in the Territorial Army as a result of the pledge emanates from the treatment of that Army during the War. The Territorial Army, realising now that they are virtually the only reserve that this country has, have no desire to be unreasonable. The day for playing at soldiers on the part of the Territorials has long since gone by. They want now to be part of a composite whole, and they want to be useful. They do not want to put frivolous objections in the way of organisation, but they want to feel sure that in their training and exercises they are being trained as a unit and as units, and that they will have a reasonable chance, in the event of active service, of serving under the officers and with the people who have trained them.

Both the officers and the men want to feel that this work is building up the unit and is building up something which is a living entity and will be treated as such in time of war, should such a thing occur. Above all, they want some assurance, if possible, that they will not be treated as mere drafting units for the main force, that they will not simply be put there as a training unit from which the Regular Army will be recruited. I feel sure that if the War Office can give some binding undertaking that the Territorial Army, in the event of mobilisation, shall be treated as a unit, and not merely as drafting depots, they will be perfectly content to abide by that decision.

The other matter, rather more technical, that I desire to raise is the question of mechanisation, particularly of artillery units. The House will probably know that since last year the whole of the Territorial field artillery has been mechanised. That may or may not be a good thing—that is a matter for far greater experts than I am to discuss—but they are not being mechanised as the Regular Army has been mechanised. They cannot be; there is not the money. That is perfectly understood. They cannot be given the new tractors, the new light cars, which are provided for the units of the Regular Army. The mechanised units of the Territorial Force have to work with Morris lorries and Morris-Cowley cars. I have not a word to say against the very valuable products of those works at Oxford, but I do say that Morris-Cowley light cars, bought, as they must be bought, on the cheap, make training and reconnaissance for our artillery work practically an impossibility.

Last year, when I raised this point, the Financial Secretary said that it was proposed to go on with mechanisation in order that the Territorial Army should not be less efficient. My contention is that with the best will in the world it makes them less efficient. The machines put at the disposal of the Territorial Army for reconnaissance work render such training as is absolutely necessary if those units are to be made efficient absolutely impossible. You cannot go across country in these cars with any idea of getting speed, mobility, communication, or idea of country, and if the Financial Secretary or the hon. Member now representing him on the Front Bench doubts what I say, I shall be only too

[Mr. Beaumont.]

pleased, on a Sunday, when we have a parade, to take him along and show him.

If it is impossible, as I believe, to give us up-to-date and thoroughly modern machines, it is worth while considering whether, for reconnaissance purposes alone, if not altogether, it would not be possible for those units who desire it and believe that it would improve their efficiency to go back either to the horse transport or, failing that, to the hybrid system which existed before last year, under which the reconnaissance staff was mounted on horses while the guns were pulled by tractors. Most people who have tried all three systems will agree, I think, that the present system of complete mechanisation under the existing conditions is the worst of all. I know there is the question of expense to consider, but I submit that the old issue of horses was grossly extravagant, and that it would be possible to go back to the old establishment with a great deal less expense than was formerly incurred; and I ask the War Office to give very earnest consideration to the question whether something on those lines cannot be done and the efficiency which I believe has been lost by the change regained.

I wish to conclude, as I began, by saying that I am convinced that, whatever the merits or demerits of the existence of an armed force may be, the country owes a very deep debt of gratitude to those officers and men, and particularly the men, who give up their leisure time, their only leisure time, to training themselves, making themselves efficient, and learning to defend their country in the Territorial Army. This House and the country would be guilty, not only of a grave dereliction of duty, but of the greatest possible folly if they did not make every effort to see that that enthusiasm, patriotism and energy are rewarded by the greatest possible assistance in every way in the endeavour to make the Territorial Force thoroughly efficient.

9.23 p.m.

Mr. MORGAN JONES: I have listened for some hours to the discussion this evening on the subject of the Army Estimates, and I listened with especial pleasure to the case put by my hon. and gallant Friend the Member for Keighley (Captain Watt), who introduced this Motion. Let me hasten to add that I do not agree, probably, with two sentences of what he said, but that does not prevent my saying that he presented his case with remarkable ability. I confess that the speeches that I have heard to-day make me wonder where I am. To-day the Prime Minister has left for Geneva to discuss disarmament, in the hope of saving something from the Conference that is going on there. This afternoon a Minister of his Government presents Army Estimates in which he demands £1,500,000 more for armaments, and the hon. and gallant Member who introduced this Motion is not even satisfied now with what is being done, but, like Oliver Twist, is asking for more. Another curious fact that interests me is that the one and only time on which the hon. and gallant Member who seconded the Motion and I have appeared on a public platform together was last year, when we appeared together on the League of Nations Union platform.

I am really wondering where I am, for the hon. and gallant Member who introduced the Amendment, if he will forgive my saying so, almost scared me to death. From his remarks I had visions of some imminent invasion of this country. It almost appeared that we were in deadly danger. When you speak of danger, as it has been spoken of here to-night, you go a long way towards creating the circumstances which present it. The hon. and gallant Gentleman has invited us to consider two propositions. One is that the circumstances call for the stimulation of recruiting in every way in order to bring the Territorial Force up to full peace establishment, and, secondly, that everything should be done by the Government to increase the efficiency of the Force. In introducing his Amendment the hon. and gallant Gentleman adduced a number of arguments. I thought he did not quite do justice to the Memorandum from which he was quoting. It is quite true that the Memorandum contains the statement he quoted, namely, that the number of recruits in the year ending September, 1932, was 14,653 as against 30,142 in the previous year, a decrease of 15,489. That is in the first paragraph, but there is a second paragraph which says:

> "The last quarter of 1932, however, shows a marked improvement, as 5,061 recruits were taken, as compared with 1,813 in the corresponding period of 1931."

Captain WATT: I did say that recruiting in the last few weeks had shown a marked improvement.

Mr. JONES: Yes, but there is a little difference between the last few weeks and the last quarter. It looks as if the improvement was sustained for three months. The point I want to make is that it would appear that the effect of the cancellation of the camps last year had been quite unintentionally exaggerated by the hon. and gallant Gentleman. The sentence I have quoted was printed in February, so that it is clear it was referring to the last quarter of 1932. Obviously, then, that takes you back very close to the time when the camping period expired. Therefore, it is not strictly true to say that the immediate effect of the cancellation of camps last year was to destroy recruiting for the Territorial Army. The facts are against that. I would like to ask one or two questions about this matter. First of all, it would seem that the Amendment is very largely couched in terms which were perhaps encouraged or fathered by the Government, as some previous Amendments have sometimes been The hon. and gallant Gentleman secured a fortunate place in the Ballot, and no doubt the Patronage Secretary encouraged him and stimulated him as to the sort of subject it would be proper from the Government point of view to move. Perhaps he even provided the hon. and gallant Member with an appropriate draft; I do not know. Anyhow, he has delivered an appropriate speech in support of the draft.

In what circumstances are we considering this Amendment this evening? The hon. and gallant Gentleman who spoke last referred to mechanisation. Of course, I do not speak as an expert at all, but everyone knows that mechanisation is one of the characteristics of the age in business generally. I understand from discussions here, and in Committee upstairs also, that mechanisation is used to an ever-increasing extent in the armed Forces of the Crown. If the hon. and gallant Gentleman will look at another paragraph on page 6 of the Memorandum he will find this statement:

> "Hitherto Divisional Royal Engineers and Divisional Signals have been allowed, if so desired, to use mechanised transport instead of horse transport, as laid down in their peace establishments. It has now been decided to place these units on a permanently mechanised basis, and new establishments are now under consideration."

What relation has that to the subject we are discussing now? If the hon. and gallant Gentleman will have the curiosity to look at the figures in relation to the strength of the Territorial Army he will find that in the year 1923 the strength was 140,000. In 1928 it was 139,000, and in 1932 it was 126,000. Let us remember that this mechanisation process is also taking place, and the more you mechanise clearly the more do you add to the actual strength of the Forces which you are mechanising; otherwise, what is the point of mechanising? I only put forward the view of a layman, but it would seem to me a clearly reasonable deduction to make that if you mechanise your unit you bring it more into accord with modern conditions and by that you make it a more efficient fighting instrument from the modern point of view.

Mr. GLUCKSTEIN: You make it more mobile.

Brigadier-General NATION: Mechanisation, as far as it has gone at present, is purely in regard to transport. There is no reduction in the number of men excepting as regards drivers.

Mr. JONES: Of course, I cannot possibly presume to pit my knowledge of this matter against that of the hon. and gallant Gentleman. That would be sheer presumption, and I am not going to do it. As an outsider and a layman, looking at this objectively, all I am saying is it seems to me a logical deduction to make that if you mechanise on a large scale you bring your fighting machine more into accord with modern standards of efficiency from various points of view. If that is conceded, that is the point I want to make. In spite of that, hon. Gentlemen have raised great alarm because a certain number of thousands have been taken off the strength of the Territorial Army. Surely hon. Gentlemen do not put up the claim that in addition to making a unit more efficient on the mechanical side, it should retain the same number of men that it used to have. The introduction of machinery postulates a lesser necessity for the same number of men. When hon. Gentlemen opposite come to discuss other Estimates, such as the Home Office or the Ministry of Labour, or some other Civil Department, they will want to know why

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the Government are not introducing mechanical devices in order to do away with the labour of a number of men; yet in regard to the Territorial Force, they want mechanical devices plus the men [HON. MEMBERS: "No!"] If hon. Members concede to me that the coming of mechanical forces entitles us to do away with a certain number of men, there is no need——

Mr. M. BEAUMONT: The difference is this. In the case to which the hon. Member refers the machines installed are the most up-to-date and therefore encourage efficiency. So far as the Territorial Army is concerned, because the House is unwilling to increase the Vote, largely because of the feelings of the hon. Gentleman and his friends, the machines installed are not of the best and therefore do not increase efficiency to the same extent.

Mr. JONES: The hon. Gentleman is changing his ground now. His complaint now is that the mechanisation that is taking place in the Army is not as efficient as he wants it to be. That is for him to argue. My general proposition is that if you mechanise, and to the degree that you mechanise, it ought to justify a reduction in the number of personnel. Hon. Gentlemen cannot have it both ways. They cannot retain the full strength of personnel on the old standard of 1925, let us say, and at the same time demand an extended mechanisation.

Mr. GLUCKSTEIN: Perhaps I can make it clear. The hon. Member is confusing two kinds of mechanisation. Mechanisation in an office is something which increases efficiency and reduces the necessity for man power, but in the Army up to the moment all that mechanisation is being used for is to increase mobility. It has not produced a number of military robots, but it has obtained mobility.

Mr. JONES: It seems to me a logical proposition to deduce from what the hon. Gentleman has said that if you increase the mobility of a force you will require less men. I will not, however, venture where angels have refused to tread. I want to bring the discussion on to another plane, since hitherto perhaps I have been treading on unfamiliar ground. If I were a Member of this Government, I should feel thoroughly ashamed of this proposition. The Government have in the last 18 months visited the homes of the working classes with the most dire consequences arising from their policy. Let me refer to a Department with which I am fairly well acquainted, and here I can argue on familiar ground. Not many weeks before Christmas there was a great controversy in the land in which Tories, Liberals as well as Labour people took the side against the Government on the question whether we should save £400,000 upon secondary education. Similar demands have been made with regard to unemployment and unemployment benefit, and yet to-night here is an Amendment moved from the Government side of the House by an hon. and gallant Gentleman who, not satisfied with an extra demand on the Estimates for £1,500,000, is demanding an extension of the expenditure of public money upon the Territorial Force.

What is the case for that? It is to allow so many thousands of men to be able to go this year for some 14 days to the seaside or elsewhere. It was stated in the House this afternoon that the mere fact that the Government were not able to have camps last year had an adverse effect upon recruiting, and because of that we are invited to spend £900,000 more. But all that money is not for holiday camps. There are parts of the expenditure which could quite easily be postponed. I challenge the hon. Gentleman who is defending the Vote to deny it. A substantial sum is to be spent on unnecessary buildings.

Mr. DEPUTY-SPEAKER (Sir Dennis Herbert): I do not think that buildings come under the Amendment.

Mr. JONES: I submit that I am addressing myself to the Amendment. The hon. Gentleman is urging an expansion of the provision for the Territorial Army. I am arguing that the provision already made is too much.

Mr. DEPUTY-SPEAKER: If the hon. Member thinks that he is in order, he will no doubt develop his point, but I am not clear at the moment that he is in order. We are not discussing now any particular Vote or the Estimates generally, but the particular Amendment on the Paper.

Mr. JONES: I am devoting myself to a point which other Members have discussed, but I will give way to your Ruling. The point which I want to make is that the hon. and gallant Member who moved the Amendment invites the House to demand from the Government increased effort in this direction. My argument as against the Amendment is that the provision which is made is too much. I think that that is related to the point under discussion. We are invited to spend £900,000 upon the development of the Territorial Army. Even this year, in these very Estimates, there is provision for all sorts of things—grants to county associations, payments to county associations for buildings and ranges. Yesterday morning I received from my own constituency, which has not anything approaching a rifle range or a Territorial Association, an invitation from the head of a Territorial Association to be present at a meeting for the purpose, presumably, of erecting a hall for this activity. I ask, What case is there, from the point of view of immediate urgency, either for the Amendment of the hon. and gallant Member for the Government's proposal? No one can argue that if we do not proceed with the proposal to spend so many thousands upon these halls the country will be in danger.

We are asked to undertake this expenditure at a time when we have taken £400,000 from secondary school children. I have not worked it out, but I am told that the decrease in the Education Estimates this year comes to an average of 2s. 11d. per child. If anyone suggested to-night that we should steal 2s. 11d. from a child's money-box in order to send somebody else to the seaside it would be at once denounced. The Noble Lord opposite, of course, finds great amusement in that statement. He will go to the seaside in any case, and I have no doubt that he and his friends will find no difficulty about sending their children to secondary schools—Eton or elsewhere. This money is to be found at the expense of depriving secondary school children of the poorer classes of legitimate educational opportunities—a deprivation practised in the name of economy. At the same time hon. Members come to this House demanding expenditure upon a service which, to say the least of it, is not so immediately urgent as all that, and in these times of national difficulty could very well be left for another year. If hon. Gentlemen will consult the returns they will find that the number of people who attended camps in 1931 was very little less than the number who attended in the previous year—indeed, it was more than in the previous year. The number of men attending camps has not declined substantially in the last eight or 10 years. There is a decrease of a few thousands, but it is almost a negligible figure. All this story about the danger of destroying recruiting is sheer, unadulterated bluff.

Brigadier-General Sir HENRY CROFT: I would remind the hon. Member, when he is referring to last year, that such camps as were held were arranged at enormous sacrifice and with tremendous difficulty, and owing to the unusual manner in which barrack facilities, and so on, were placed at the disposal of the Territorials.

Mr. JONES: The hon. and gallant Member has missed my point. I was not speaking of last year, because I know there were no camps last year, but of 1931, the year when the Labour Government were in office. Taking the year 1931, and going backwards over the previous 10 years, it will be found that the number of people who have attended camps, broadly speaking, and taking things by and large, has remained almost stationary. Last year there were no camps, but in spite of that the report presented to us to-night on the Territorial Army indicates quite clearly that in the last quarter dealt with there was an increase of 5,000 in the number of the recruits. How can it be argued, therefore, that the fact of there being no camps has destroyed recruiting?

There is substance in the point made by my hon. Friend the Member for Hemsworth (Mr. Price). He asked, What right have you to expect these people to respond to your recruiting appeals when you have been attacking them along other lines in the name of economy?" After all, those whom you hope to recruit will be mainly members of the working class, sons of the working class, unemployed if you like, full of a sense of injustice, feeling that the Government has, in the name of economy, abused economy in order to attack them

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by reducing their unemployment benefits. Surely you cannot expect those same people to say to you generously, "Very good, I will forget all that, I will join up." Of course not. Treat the people decently and you will win their confidence. Treat them in a way that repels them, and they will not extend their confidence to you. In the last 18 months they have been so much attacked through the reduction of the social services that you cannot expect from them the response which enthusiastic recruiters would desire.

I do not pretend to hide my own feelings. I am an unrepentant pacifist, and I make no apology for it. I wish the hon. and gallant Gentleman who moved this Amendment and his colleague who seconded it had found it possible to show a more generous response to the appeal of their own leader, the Lord President of the Council, who told them recently that if we are to get a lead in disarmament in the world, if we are to initiate the spirit of disarmament, that initial effort and inspiration must come from the young people of the world. It is the young people, not the older people who to-night have asked for extra expenditure upon the instruments of armament, at a time when our neighbour across the sea, the French Prime Minister, has actually carried through the Senate in the name of the French nation a reduction in the armed forces of France this year to the tune of £5,000,000. Those who know something about the difficulties that all French Prime Ministers have, will know what a gallant effort that must have involved, yet when France reduces her Army Estimate by £5,000,000, Britain comes forward with an increase of £1,500,000. I say quite clearly, on behalf of myself and my hon. Friends, that we can have neither part nor lot in this Amendment, and that we shall take the first opportunity we can of challenging it.

9.56 p.m.

Sir REGINALD BLAKER: In rising to take up the challenge which has been thrown down by the hon. Member for Caerphilly (Mr. Morgan Jones) I am conscious of the fact that both inside and outside this House there are many thousands of young men who are quite satisfied and quite proud to endeavour to fit themselves for the defence of their country. I am satisfied that when we reach the sere and yellow leaf, and presumably the years of discretion at which the hon. Member for Caerphilly has now arrived, we shall at least have the grace and the courtesy to thank those who follow after us and who take up the burden.

Mr. KIRKWOOD: What about the young fellows at Oxford?

Sir R. BLAKER: I do not intend to refer to-night to resolutions passed by young men in other places. Anyone who wishes to make a helpful contribution to a Debate upon the Territorial Army must recognise and accept two facts. The first is that the Territorial Army is to-day a necessary and vital portion of our defence. I am not saying whether we are wise or unwise to have allowed our armaments to sink to a state in which we have to rely upon what I might call the free services of the Territorial Army. The fact has to be admitted. The second point is that no suggestion which can involve an increased expenditure this year is within the realm of practical politics. I am a little surprised to hear from hon. Members opposite that this Amendment is a demand for increased expenditure. We have had enough experience of the difficulties of the War Office, those of us who have tried to obtain grants and have indented for stores that we urgently need, and we know that it is impossible to-day to ask for any increase, however desirable in the name of efficiency that increase may be. If I make observations to the Financial Secretary to the War Office, I hope that he will realise that I do so in a constructive rather than in a destructive spirit. The reference by the hon. Gentleman opposite to a trip to the seaside was a slur upon Territorial soldiers who give up their holidays in order to train. I take it as a slur, and I think that many people outside this House will so regard it.

Mr. MORGAN JONES: I must explain that I was not the first person in this Debate to use the word "holiday." The first was the Financial Secretary himself.

Sir R. BLAKER: I would remind the hon. Gentleman that the Financial Secretary explained exactly and precisely what was meant by that word. The sense in which the term "seaside holiday" was hurled across the Floor of the House will be regarded by fair-minded people as a slur upon the serving Territorial soldier. Either we take the attitude that the Territorial Army is not required, in which case it is a criminal waste to expend any money on it, or we must be sure that the money which is spent brings the Territorial Army to the maximum state of efficiency in proportion to the money which is at disposal. I understand that the hon. Member for Caerphilly will have no part or lot in supporting an Amendment which merely calls upon the Government to make this Government service efficient. I must confess that I am a little surprised that an hon. Gentleman with his experience should get up boldly and say that he does not desire one of the public services to be run efficiently, even though it is financed by taxpayers' money.

We know that the absence of camp has been borne with good spirit, as indeed every privation which is placed upon the Territorials will be borne. The decline in recruiting is not entirely due to the absence of camp. In theory, every newly-joined Territorial is entitled to two suits, one new and one part-worn. In practice, it is very difficult, from the stores that are at the disposal of local associations, to provide that new suit, but if we are to give a man a pride in his regiment—we take just as much pride in our volunteer branch as professional soldiers take in their regiments—and a self-respect—I am speaking of that portion of the House that can appreciate those qualities—you must give him a suit of clothes in which he can keep his self-respect.

It is within the knowledge of most hon. Members that a soldier is entitled to give the girls a treat when he walks out, and that is a right and proper thing to do. [*Interruption.*] People often laugh at the recreation of those who work hard all day. I believe that there is more in it than is printed upon picture postcards. I know from time to time that some of us feel that local associations are not entirely able to benefit the units which they have to administer. I put forward this suggestion: In some areas where there are big employers of labour, a representative of a big firm upon an association can be quite a good link between the unit and those who supply its labour. In the home counties, where you possibly have 83 men drawn from 75 different employers, obviously the main original idea of the nexus between the employer and the soldier has failed. I suggest that if we could have divisional associations rather than county associations, there would be a saving, and I believe that administration would be very much simpler. I know that kit and clothing are questions of great difficulty, but I would remind the Financial Secretary that some of the clothing that is made and issued is apparently designed for a human frame which no doctor would ever recognise. A very small grant per head is allowed for alterations, but it is not a question in many cases of alteration, but of almost entire re-making. I would impress upon the Financial Secretary the vast importance of trying to tighten up the supply of really decent, serviceable kit.

There is another point to which I should like to refer. It is a very small question—so small that some hon. Members may wonder why I raise it; but it is a pinprick, and, as a pinprick, it is all the more dangerous. Many hon. Members know that a statutory deduction is allowed from an officer's earned income of £7 10s. in respect of upkeep of his kit. That is not a vast sum, and it does not involve a vast saving to the Exchequer if it is cut off; but because, and only because, no annual camp was held, and, therefore, no officer drew any pay, that allowance was taken off; but the upkeep of his uniform was demanded just the same. I say quite frankly that I think that that was a mean economy, and one which has done a great deal more harm than good. I do not raise the point because it affects me; it does not. I beg the Financial Secretary to realise that while we in the Territorials are prepared to make the best of a very bad job, yet at the same time we do ask him to do all that he can for us in regard to considering whether some units outside the London area should take part in some form of review, in order to let people know what I say and what I believe, namely, that we are a remarkably fine body of men.

10.8 p.m.

Mr. COOPER: I must apologise to my hon. Friends who have moved and seconded this Amendment for not having

[Mr. Cooper.]

heard the whole of their speeches. The points raised in the Debate have included some of minor importance, some small points, and one or two of a more general kind. My hon. Friend the Member for Spelthorne (Sir R. Blaker) concluded his remarks by referring again to a question which was dealt with by the Mover, namely, the suggestion that, if there is a review this summer, it should include more than the London units. As I said in my opening speech this afternoon, I can give no further information as regards the review, as no definite decision has yet been taken on the subject; but in any case I feel that it must be of a local character. It can only be held, if at all, in London, and great expense would be entailed in fetching units from all parts of the country, while great difficulties would naturally arise if one unit were to be selected as against another. Much as I should like to make such a review a general review in which all parts of the country and all parts of the Territorial Army would be represented, I think that, if it is held, it will be necessary to confine it, this year at any rate, to the units in the immediate locality.

The Mover also referred to the desirability of the Territorial Army being more represented at the War Office than at present. There are officers at the War Office whose sole duty it is to consider the welfare of the Territorial Army, and there is a member of the Army Council who is to a large extent in charge of the Territorial Army. That is not myself, but the Under-Secretary of State for War. While I am prepared to consider any suggestions for increasing the representation of the Territorial Army at the War Office, I do not really think that there would be any material object to be gained. I do not think that the majority of Territorial officers and men feel that they are suffering under any disability or grievance with regard to administration at headquarters owing to the fact that there is no Territorial officer engaged at the War Office. If such an officer were selected, he would have to give up the whole of his time to the work, and I am not sure that there are many Territorial officers—indeed, it is not in the nature of the Territorial Army that there should be—who would be prepared to give up their time in that way. There is, as my hon. and gallant Friend knows, the Director-General of the Territorial Army at the War Office, with his own staff, and his sole concern is with the Territorial Army; while, as I have said, there is a representative to a large extent of the interests of the Territorial Army on the Army Council.

Some reference has been made in the course of the Debate to the new duties which the Territorial Army have recently taken over in regard to coast defences. I am glad to say that the reorganisation which this has necessitated is now practically complete, and training this year will take place on the basis of those new duties, responsibilities and liabilities which the Territorial Army have undertaken. There can be no greater proof of the confidence which the Army Council place in the Territorial Army than that they should have been, as they are now, rendered responsible for the defence of the coasts of this island.

Reference has been made by more than one speaker to the question of the pledge, and I should like to make the situation perfectly plain at once. It is that no decision has been taken, or is likely to be taken in the near future, or, I think, will be taken without those who represent the Territorial Army, that is to say, the Committee of Territorial Associations. They have been asked to give their views, and they have already discussed the matter. They are going to discuss it again, though perhaps not in the immediate future. There is no hurry about the matter, and no danger of any precipitate conclusion being arrived at. They will be given full time to weigh all the pros and cons, the Army Council will certainly listen with the greatest attention to the views which they put forward, and, undoubtedly, the decision will depend upon those views. In any case, should the alteration suggested take place, it would affect only those joining in future; there is no question of extending it retrospectively to those who are now members of the Territorial Army.

I would like to assure my hon. and gallant Friend that there is no intention whatever of rendering the Territorial Army a mere drafting unit for the Regular Army; that has been expressly denied over and over again. If the arrangement is agreed to finally, it will alter the present position, under which men join the Territorial Army solely in order, in an emergency, to enable the authorities to do what is almost inevitable in a great crisis such as a war, and that is to move from one unit to another a certain few members of any Force. The intention is that the Territorial Army shall continue to act as in the past, and, if it should be sent abroad in the event of war, it will be as units serving as such. But anyone who knows anything of the organisation knows that it is inevitable that limits of this sort placed by legislation on those responsible for the administration can only lead to great difficulty. If it is thought that any alteration would adversely affect the requirements of the force, no such alteration will be made. My hon. Friend can rest assured that no alteration will be made in a hurry, it will not be made without the very carefullest consideration and will not be made without the consent of those who represent the interests which will be principally affected.

I should like to reiterate the protest that the last speaker made against the hon. Member for Caerphilly (Mr. Morgan Jones) referring to the annual training of the Territorials as a holiday camp. I was the first to use the expression "holiday," but I made it perfectly plain that I only used it when I urged employers of labour to grant their employés a holiday in order to go to camp. It is not a holiday for the men when they get there. It is very wrong, when people are prepared to give up the short and all too hard-earned holidays that they get in the year to making themselves fit to serve their country in an emergency, that they should be taunted with the fact that they are having an easy holiday. It is idle for the hon. Gentleman to attempt to argue that the decision to give up camps last year had no effect. I am surprised that so experienced a Parliamentary speaker and so fair a debater should have the unfairness or the lack of good sense to descend to such an argument. How can he maintain that proposition when the universal testimony of every single person who knows anything about the Territorial Army, from the lowest to the highest ranks, is unanimous in considering that this is the sole reason why recruiting has gone down? The hon. Member pointed to the fact that recruiting this autumn was slightly higher than it was last year. That is simply due to the fact that last autumn people were already aware that great cuts would be made in Army expenditure, and they felt it more than probable that camps would not take place this year, whereas in every answer that I have given to questions during the past year I made it as plain as I could, until I got ultimate authority, that it was the intention of the Army Council, if possible, to hold camps during the present year, and that is why recruiting went up in the autumn.

The Secretary of State stated some time in the autumn, in the strongest language he possibly could without having the authority of the Government to say that camps would take place, that everything he could do would be done in order to ensure that camps would take place. Recruiting immediately went up, and yet the hon. Gentleman assures us that the two matters were quite unconnected with one another. I really think that for the moment his enthusiasm in the cause of peace must have run away with him. He says with pride that he is a pacifist. I maintain that I am as good a pacifist as he is. If to be a pacifist is to consider war as the greatest disaster that can befall the world, to believe that any effort that one can make to secure the influence of peace is the most valuable effort one could make, then I am as good a pacifist as he is. But I do not believe, although I give him full credit for his belief, that you secure the cause of peace by asserting loudly that in no possible circumstances will you be prepared to fight, and if he takes the view that it is not necessary to defend yourself in a world which has not been made safe from war, I should like to have heard him argue the case that he put forward.

Hon. Members opposite throughout the Debate have talked vaguely about disarmament, but not one of them has made a single sensible suggestion as to how we should benefit either the world or this country by diminishing our Army. If he had wished to argue that case he might have said he did not consider that the Territorial Army was an Army which a nation that loved peace could maintain. He might have argued that we should spend all our energy on strengthening

[Mr. Cooper.]

the Regular Army at the expense of the Territorial Army and cut down expenditure in that way and that that would in some way reassure the other nations of the world that we had no intention to go to war. That would at least have been an argument, although it is not my view. It seems to me that the Territorial Army is one of the least provocative armies in the world. It is an army of private citizens, an army of people who are prepared, for the love they bear their country, to give up a great deal of their leisure to prepare themselves for its defence in an emergency. They are now entrusted with the responsibility of protecting the shores of their own country.

If it is maintained that it is a provocative force and a menace to the peace of the world, then I should like to hear hon. Members opposite attempt to develop that argument instead of simply coming down and waving the flag—there is no more provocative flag in the world—of the extreme pacifist and denouncing the Territorial Army and advocating the abolition of camps which would undoubtedly lead to the complete destruction of that force. We have had the great assistance of my hon. and gallant Friend who moved the Amendment and of the hon. Members who supported it. Their suggestions with regard to what we can do in the way of improving the Territorial Army will be borne in mind by the War Office and those responsible. I hope that this part of the Debate may lead to some fruitful result for the Territorial Army, as the early part of it may have led to some fruitful result for the Regular Army.

Captain WATT: In view of the reply of the Financial Secretary to the War Office, I beg to ask leave to withdraw the Amendment.

Amendment, by leave, withdrawn.

Question put, "That Mr. Speaker do now leave the Chair."

The House divided: Ayes, 190; Noes, 33.

Division No. 78.] AYES. [10.23 p.m.

Agnew, Lieut.-Com. P. G.
Albery, Irving James
Apsley, Lord
Aske, Sir Robert William
Astbury, Lieut.-Com. Frederick Wolfe
Astor, Maj. Hn. John J. (Kent, Dover)
Atkinson, Cyril
Baldwin, Rt. Hon. Stanley
Barclay-Harvey, C. M.
Beaumont, M. W. (Bucks., Aylesbury)
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Belt, Sir Alfred L.
Benn, Sir Arthur Shirley
Bernays, Robert
Bird, Ernest Roy (Yorks., Skipton)
Blaker, Sir Reginald
Borodale, Viscount
Bowyer, Capt. Sir George E. W.
Broadbent, Colonel John
Brown, Ernest (Leith)
Brown, Brig.-Gen. H.C. (Berks., Newb'y)
Burghley, Lord
Campbell, Edward Taswell (Bromley)
Campbell, Vice-Admiral G. (Burnley)
Caporn, Arthur Cecil
Carver, Major William H.
Cazalet, Thelma (Islington, E.)
Chapman, Col. R. (Houghton-le-Spring)
Chorlton, Alan Ernest Leofric
Christie, James Archibald
Clayton, Dr. George C.
Cobb, Sir Cyril
Cochrane, Commander Hon. A. D.
Colfox, Major William Philip
Colman, N. C. D.
Colville, Lieut.-Colonel J.
Conant, R. J. E.
Cook, Thomas A.
Cooper, A. Duff
Copeland, Ida
Courthope, Colonel Sir George L.
Cowan, D. M.
Croft, Brigadier-General Sir H.
Crooke, J. Smedley
Crookshank, Capt. H. C. (Gainsb'ro)
Cruddas, Lieut.-Colonel Bernard
Davidson, Rt. Hon. J. C. C.
Denman, Hon. R. D.
Dickie, John P.
Drewe, Cedric
Dugdale, Captain Thomas Lionel
Duncan, James A. L. (Kensington, N.)
Ellis, Sir R. Geoffrey
Elliston, Captain George Sampson
Emrys-Evans, P. V.
Erskine, Lord (Weston-super-Mare)
Everard, W. Lindsay
Foot, Dingle (Dundee)
Fremantle, Sir Francis
Gledhill, Gilbert
Gluckstein, Louis Halle
Goff, Sir Park
Goodman, Colonel Albert W.
Graves, Marjorie
Gretton, Colonel Rt. Hon. John
Griffith, F. Kingsley (Middlesbro', W.)
Grimston, R. V.
Gunston, Captain D. W.
Hamilton, Sir George (Ilford)
Hannon, Patrick Joseph Henry
Harbord, Arthur
Hartland, George A.
Headlam, Lieut.-Col. Cuthbert M.
Heilgers, Captain F. F. A.
Herbert, Capt. S. (Abbey Division)
Hope, Capt. Hon. A. O. J. (Aston)
Hopkinson, Austin
Hornby, Frank
Howitt, Dr. Alfred B.
Hunter, Dr. Joseph (Dumfries)
Jackson, J. C. (Heywood & Radcliffe)
Jamieson, Douglas
Janner, Barnett
Jennings, Roland
Johnstone, Harcourt (S. Shields)
Jones, Lewis (Swansea, West)
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Knebworth, Viscount
Knox, Sir Alfred
Law, Sir Alfred
Law, Richard K. (Hull, S.W.)
Leckie, J. A.
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Little, Graham-, Sir Ernest
Lloyd, Geoffrey
Lovat-Fraser, James Alexander
Mabane, William
MacAndrew, Lt.-Col. C. G. (Partick)
MacAndrew, Capt. J. O. (Ayr)
McCorquodale, M. S.
MacDonald, Malcolm (Bassetlaw)
McKeag, William
McKie, John Hamilton
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Magnay, Thomas
Makins, Brigadier-General Ernest
Mallalieu, Edward Lancelot
Margesson, Capt. Rt. Hon. H. D. R.
Martin, Thomas B.
Mayhew, Lieut.-Colonel John
Merriman, Sir F. Boyd
Milne, Charles
Moore, Lt.-Col. Thomas C. R. (Ayr)
Moreing, Adrian C.
Morgan, Robert H.
Morris, John Patrick (Salford, N.)
Morris-Jones, Dr. J. H. (Denbigh)
Muirhead, Major A. J.
Munro, Patrick
Nall, Sir Joseph
Nation, Brigadier-General J. J. H.
North, Captain Edward T.
Nunn, William
O'Donovan, Dr. William James
Palmer, Francis Noel
Pearson, William G.
Peat, Charles U.
Penny, Sir George
Perkins, Walter R. D.

Petherick, M.
Pickford, Hon. Mary Ada
Pike, Cecil F.
Raikes, Henry V. A. M.
Ramsay, Capt. A. H. M. (Midlothian)
Ramsay, T. B. W. (Western Isles)
Ramsden, Sir Eugene
Ray, Sir William
Reid, Capt. A. Cunningham-
Reid, James S. C. (Stirling)
Reid, William Allan (Derby)
Robinson, John Roland
Ropner, Colonel L.
Rosbotham, Sir Samuel
Ross, Ronald D.
Ross Taylor, Walter (Woodbridge)
Runge, Norah Cecil
Rutherford, Sir John Hugo (Liverp'l)
Salmon, Sir Isidore
Salt, Edward W.
Samuel, Rt. Hon. Sir H. (Darwen)
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Slater, John
Smith, Bracewell (Dulwich)
Somervell, Donald Bradley
Somerville, Annesley A. (Windsor)
Soper, Richard
Sotheron-Estcourt, Captain T. E.
Southby, Commander Archibald R. J.
Stanley, Lord (Lancaster, Fylde)
Stevenson, James
Stones, James
Strauss, Edward A.
Strickland, Captain W. F.
Stuart, Lord C. Crichton-
Sueter, Rear-Admiral Murray F.
Templeton, William P.
Thomas, James P. L. (Hereford)
Thompson, Luke
Thomson, Sir Frederick Charles
Titchfield, Major the Marquess of
Touche, Gordon Cosmo
Train, John
Vaughan-Morgan, Sir Kenyon
Ward, Lt.-Col. Sir A. L. (Hull)
Ward, Irene Mary Bewick (Wallsend)
Ward, Sarah Adelaide (Cannock)
Watt, Captain George Steven H.
Wells, Sydney Richard
Whiteside, Borras Noel H.
Williams, Charles (Devon, Torquay)
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Windsor-Clive, Lieut-Colonel George
Wood, Sir Murdoch McKenzie (Banff)

TELLERS FOR THE AYES.—
Captain Austin Hudson and Mr. Womersley.

NOES.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Batey, Joseph
Brown, C. W. E. (Notts., Mansfield)
Buchanan, George
Cape, Thomas
Cocks, Frederick Seymour
Cove, William G.
Cripps, Sir Stafford
Daggar, George
Davies, David L. (Pontypridd)
Davies, Rhys John (Westhoughton)
Edwards, Charles
Greenwood, Rt. Hon. Arthur
Hicks, Ernest George
Jones, Morgan (Caerphilly)
Kirkwood, David
Lansbury, Rt. Hon. George
Lawson, John James
Leonard, William
Llewellyn-Jones, Frederick
Logan, David Gilbert
Lunn, William
McGovern, John
Maclean, Neil (Glasgow, Govan)
Maxton, James
Milner, Major James
Parkinson, John Allen
Price, Gabriel
Tinker, John Joseph
Williams, David (Swansea, East)
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE NOES.—
Mr. G. Macdonald and Mr. Groves.

Supply accordingly considered in Committee.

[Sir Dennis Herbert in the Chair.]

Number of Land Forces.

Motion made, and Question proposed,

"That a number of Land Forces, not exceeding 148,700, all ranks, be maintained for the Service of the United Kingdom at Home and abroad, excluding His Majesty's Indian Possessions (other than Aden), during the year ending on the 31st day of March, 1934."

10.31 p.m.

Sir FRANCIS FREMANTLE: I want on this Vote to raise once more a matter of considerable importance—namely, the number of officers in the medical service, and I hope the Committee will allow me to mention the subject and ask for a reply. The number of medical officers in the Army is always very much below establishment. I have raised this question now regularly every other year for the last 14 years without getting any satisfaction, and I think it essential to bring the matter before the Committee again as the medical service provides what is necessary for the army in peace and in war time. Whatever our views may be in regard to war and peace it is most essential to keep the medical service intact and efficient. The medical service has been working on a deficiency in establishment strength for years, and the position is just as serious as ever this year. The total establishment of medical officers required for the Army on the Home establishment is 826 and the actual number on the strength is 669; a deficiency of 154 medical officers, or a deficiency of 35 per cent. That is not made up by temporary commissioned officers who are employed, 48; and by retired officers employed, 54.

The position is more serious than the actual numbers suggest. The work is only kept up by having two-thirds of the officers serving abroad. The percentage of majors, captains and lieutenants at home is 42 and abroad 58, and the period at home is only about two years. As soon as they come back from service abroad they have only two years at home before having to go abroad again. That is partly the reason why you cannot get officers into the Army Medical Service. They know that when they marry they will have to spend the greater part of their time abroad, because the War Office is able to fill up the positions at home by temporary commissioned officers, and they cannot get temporary commissioned officers to go abroad. That becomes worse and worse every year. The result is that the War Office cannot get young medical officers into the service. It is

[Sir F. Fremantle.]

becoming more and more an old service, a service of old men. This position was definitely recognised in 1931. At that time a memorandum on the health of the Army stated:

> "The number of new officer entrants in the Royal Army Medical Corps and its supplementary Reserve, which has been most unsatisfactory since the Great War, has fallen still lower during the past year, and the deficiency of regular officers is causing grave concern."

When the matter was discussed in this House the Financial Secretary to the War Office said that all were agreed that this was a very serious matter, and he added that several of his predecessors at the War Office had been concerned about it. That has been the case. In 1920 I made a speech on the subject and the then Secretary for War, now the right hon. Member for Epping (Mr. Churchill), treated it as if it were a jest. He said that I thought more about the sanitation of the Army than about its efficiency. Now the War Office does recognise that the medical services are vital to the efficiency of the Army. It was admitted that the deficiency in officers affected not only the War Office, but also the Admiralty and the Air Force, and it was added that an inter-Departmental Committee between the three services was being set up with the object of finding some solution of the problem. That was two years ago.

The committee has been sitting under Sir Warren Fisher. It is not the first time that Sir Warren Fisher has sat on a committee on this subject. He was chairman of a committee in 1925 and that committee reported. He sat again on a committee in 1931. I myself gave evidence before that committee 15 months ago, and now we hear that the committee is proceeding to consider its report. Evidently no solution of the problem has been found, or the report is being delayed because the committee cannot face the solution that is necessary. Therefore we shall not get any further forward, and each Secretary for War will say in turn: "It is a serious problem, but we cannot meet because it is mainly a financial question." I hope for something better than that. I have made several suggestions and so have the Briteish Medical Association. I want a statement from the Financial Secretary, not simply that he is waiting for the committee's report, the contents of which he probably knows, but that he will put it to the Government and the Chancellor of the Exchequer that the health services are essential to the Army and that we cannot face the possibility of another war with depleted services.

10.40 p.m.

Brigadier-General NATION: I must apologise for intervening again in these discussions. but I claim the indulgence of the Committee for a short time while I turn once more to the question of the strength of the Territorial forces. I regret very much that I was not called in the discussion on the Amendment referring to the Territorial Army and I take this opportunity of raising the subject again. It has been said that the loss in numbers has been mainly due to the question of camps, but while I think that to a certain extent it is due to that, it is by no means the only reason. There are other reasons which are important. In the Memorandum accompanying the Estimates the Secretary of State says that the relations between the Regular Army and the Territorial Army are improving and in a speech made by the Director-General of the Territorial Forces about last December——

The CHAIRMAN: I would remind the hon. and gallant Member that we cannot have repeated in Committee, speeches which would be more applicable to a question which has just been disposed of by the House.

Brigadier-General NATION: I was only mentioning those matters to the extent of proving that there are other reasons for the fall in these numbers. The numbers in the Territorial forces have considerably reduced during recent months and this is to be observed particularly in regard to the London divisions. These divisions are down to 5,000 each, only about half the numbers in divisions in other parts of the country. It is a very serious reduction, and this has nothing whatever to do with camps.

Captain CROOKSHANK: Has Vote A anything to do with the Territorial Army?

Mr. KIRKWOOD: He is coming on to it. Have patience.

The CHAIRMAN: I have already pointed out to the hon. and gallant Member that while a pretty wide discussion is allowed on Vote A the objection to the speech which I think he proposes to make, is that it would be more appropriate to a question which has just been disposed of and cannot be re-debated in Committee.

Brigadier-General NATION: I accept your Ruling and will reserve my remarks to a further discussion.

10.43 p.m.

Captain GUNSTON: I wish to ask my hon. and gallant Friend the Financial Secretary to the War Office, if we can be assured a little more in regard to cases of cerebro-spinal meningitis and whether any special medical officer has been detached from duty to investigate this serious matter. I am glad to see that the number of cases has been reduced since last year, but 67 cases in the Home Commands is a very serious number. I would ask in what units these cases have occurred. I understand that they have been confined to a few units, but, where they have occurred, the effects have been serious. Has any special staff been investigating these cases? Have they tried to get the latest remedies? Some of the troops, I am told, are a little doubtful about the effect of the inoculation or vaccination or whatever treatment has been used to counteract this terrible and painful malady.

I would ask whether any of our medical officers have consulted medical officers in the Dominions. I hear that during the War the commanding officer of a Canadian regiment stamped out this most terrible disease by giving more blankets round to the men and by nailing the windows open, so that they were living practically in the open air. I believe that many of the medical officers in other parts of the world hold that this disease is spread by keeping men in the same barracks and using the same blankets. Will my hon. Friend inquire whether it would be possible to take the opinion of other nations and to find out if, by changing the men's quarters, abandoning barracks, at any rate for a considerable period, and taking the men right away from where this disease may be, there is a likelihood of stamping it out.

10.46 p.m.

Mr. COOPER: I can assure my hon. Friend the Member for St. Albans (Sir F. Fremantle) that I will not speak with any undue levity of the important question which he has raised, although I am afraid I am unable to give him a much more satisfactory reply than the right hon. Member for Epping (Mr. Churchill) gave him on the occasion to which he referred. It is a very serious question, this question of obtaining sufficient recruits for the Royal Army Medical Corps, and we have been considering it for a long time. The committee which was set up, as he said, some few years ago to go into the matter was much impressed by the evidence that he gave. I confess that the work of that committee may have slackened about a year ago, when, owing to financial conditions, there seemed to be very little prospect of obtaining funds for anything, even for so good a cause as this, and it was considered that there was no way of obtaining these recruits except by increased expenditure.

I know my hon. Friend has his own suggestions, which I understand and which I have studied, and I think that if they could be brought into force, which would need a great deal of collaboration with local authorities, they might overcome the difficulty. That committee, which was never dissolved, but which suspended its activities for a short space of time, partly owing to the cause which I have already mentioned and partly owing to the many responsibilities then resting upon Sir Warren Fisher, has now resumed its sittings, and is actively pursuing its inquiries with a view to finding a solution of this question. I can assure my hon. Friend that the matter is really now under close consideration and that we hope that some solution will be arrived at in the very near future.

With regard to the question of my hon. and gallant Friend the Member for Thornbury (Captain Gunston), this matter also is one of great importance, and we are fully alive to the importance of the health of the troops. In answer to my hon. and gallant Friend, I will quote, not the right hon. Member for Epping, but a former Prime Minister, Mr. Disraeli, who said the motto of the age should be:

"*Sanitas sanitatum omnia sanitas.*"

[Mr. Cooper.]

The health of the troops is a matter of deep concern at present. With regard to cerebro-spinal meningitis, the figures this year, although still giving cause for great anxiety, are falling off. The number of cases for the past year was 67, out of which number 26 proved fatal. That is a remarkably low figure for fatal cases. We are doing all that we can to keep in touch with all the latest developments of science, both in this country and in foreign countries, with regard to this disease, and I can assure my hon. and gallant Friend that everything that we can do in the endeavour to lessen it, we shall do.

Question put, and agreed to.

PAY, ETC., OF THE ARMY.

Resolved,

"That a sum, not exceeding £9,284,000, be granted to His Majesty, to defray the Expense of the Pay, etc., of His Majesty's Army at Home and abroad, excluding His Majesty's Indian Possessions (other than Aden), which will come in course of payment during the year ending on the 31st day of March, 1934."

WORKS, BUILDINGS AND LANDS.

Motion made, and Question proposed,

"That a sum, not exceeding £2,640,000, be granted to His Majesty, to defray the Expense of Works, Buildings and Lands, including military and civilian staff, and other charges in connection therewith, which will come in course of payment during the year ending on the 31st day of March, 1934."

10.51 p.m.

Captain CUNNINGHAM-REID: There is one comparatively small point on Vote 10 on which I would like to ask for some further information. Item 11 of Sub-head (C) provides for a sum of £500 this year as part of a total Estimate of £42,000 which it is proposed to expend to provide 72 quarters for married warrant officers, non-commissioned officers and men at St. John's Wood Artillery Barracks. I understand that these quarters are to provide not only for the married strength of the artillery units quartered in the barracks, but also to some extent for the married strength of the Household Cavalry regiment quartered at Albany Street Barracks. I fully appreciate the difficulty of my hon. Friend in having to find adequate married quarters throughout the whole of the London area for the troops. On the other hand, I consider that the present system, especially as regards these particular barracks, is far from satisfactory. The position is that, over and above the accommodation that is required in those particular barracks, it was found some time ago that more accommodation was required. Consequently, in 1919 the War Department took over 16 houses in a street called Queen's Terrace, N.W.8, and in those particular houses were a number of residents who were protected by certain legislation.

The Committee will no doubt agree that the occupation of premises both by soldiers, who come under military discipline, and at the same time by civilians, who come under no such restraint, is a very unsatisfactory situation. The endless difficulties which arose during the War with regard to billets, as many hon. Members will no doubt recollect, have proved that conclusively. Numerous complaints are being made all the time. There are petty squabbles, which I have not attempted to bring to the notice of my hon. Friend, but which have been brought to my notice during the last nine months, all of which I consider to be directly attributable to this particular system. I agree we cannot achieve very much with a matter of £500 this year, and I must apologise to the Committee for having taken up this brief moment in discussing this small sum, but I would point out that there is a total sum of £42,000 for this Estimate. Consequently, in view of the information which I have been able to give my hon. Friend, I should like to know what he intends to do in order to tackle this little problem. It may be little, but unfortunately it is a distinct problem. I should deprecate what might appear to be a very simple solution, that is, the ejection of the few remaining of my civilian constituents from these houses that were taken over by the War Office.

10.56 p.m.

Mr. COOPER: The point raised by my hon. and gallant Friend is concerned with the action of the War Office in taking over certain buildings in the neighbourhood of Albany Barracks to serve as married quarters. Some of them are occupied by civilians and, as he says, some of these do not get on very well with the soldiers. Possibly they would not get on very well if the houses were only occupied by civilians. I imagine that the small sum concerned here is in the nature of a token Vote to enable us to spend what money we can in order to recondition these houses to make them suitable for married quarters for the troops in London, not only for the cavalry, but all the troops in London which are suffering from the great shortage of married quarters. As the rents fall in, and as the civilian occupants who are inhabiting the houses decide to take their habitations elsewhere, we shall be glad to do what we can to make these buildings, which are in a poor condition, more suitable to serve as married quarters for the troops.

Question put, and agreed to.

MISCELLANEOUS EFFECTIVE SERVICES.

Resolved,

"That a sum, not exceeding £911,000, be granted to His Majesty, to defray the Expense of Miscellaneous Effective Services, which will come in course of payment during the year ending on the 31st day of March, 1934."

HALF-PAY, RETIRED PAY, AND OTHER NON-EFFECTIVE CHARGES FOR OFFICERS.

Resolved,

"That a sum, not exceeding £3,524,000, be granted to His Majesty, to defray the Expense of Rewards, Half-pay, Retired Pay, Widows' Pensions and other Non-effective Charges for Officers, which will come in course of payment during the year ending on the 31st day of March, 1934."

PENSIONS AND OTHER NON-EFFECTIVE CHARGES FOR WARRANT OFFICERS, NON-COMMISSIONED OFFICERS, MEN, AND OTHERS.

Motion made, and Question proposed,

"That a sum, not exceeding £4,473,000, be granted to His Majesty, to defray the Expense of the Royal Hospital, Chelsea, and Kilmainham Hospital; of Out-Pensions, Rewards for Distinguished Service, Widows' Pensions, and other Non-effective Charges for Warrant Officers, Non-Commissioned Officers, Men, etc., which will come in course of payment during the year ending on the 31st day of March, 1934."

10.59 p.m.

Sir J. NALL: I should like to raise the subject of the Estimates and the Estimates Committee. The Financial Secretary, responding earlier to-day to what was said by certain hon. Members, indicated that, in the view of his Department, it was entirely unnecessary for any sort of detailed scrutiny of these Estimates in the House. I venture to say that that is not in accordance with the facts, because we have an Estimates Committee of the House whose duty it is from time to time to examine various departmental Estimates. It is some years since I raised in the House the question of providing an adequate system of Estimates Committees so that Votes of this kind could be examined in proper detail by a Committee of the House.

The CHAIRMAN: I am afraid that the question which the hon. Member is raising is rather too wide to be raised on a special Vote. Obviously, it is a question which applies to all of them, and not to any one of them.

Sir J. NALL: I will limit my reply accordingly. The particular Vote before us is essentially one which ought to be scrutinised in more detail than time now permits. It is to be hoped that the Government will further consider the question of giving hon. Members an adequate opportunity to consider these Votes in proper detail before they are submitted to a Committee of the Whole House.

Question put, and agreed to.

CIVIL SUPERANNUATION, COMPENSATION, AND GRATUITIES.

Resolved,

"That a sum, not exceeding £227,000, be granted to His Majesty, to defray the Expense of Civil Superannuation, Compensation and Additional Allowances, Gratuities, Injury Grants, etc., which will come in course of payment during the year ending on the 31st day of March, 1934."

Resolutions to be reported upon Monday next; Committee to sit again upon Monday next.

REPORT [7TH MARCH.]

Resolution reported.

CIVIL ESTIMATES, SUPPLEMENTARY ESTIMATE, 1932.

CLASS II.

DOMINION SERVICES.

"That a Supplementary sum, not exceeding £166,570, be granted to His Majesty, to defray the Charge which will come in course of payment during the year ending on the 31st day of March, 1933, for sundry Dominion Services, including certain Grants in Aid, and for expenditure in connection with Ex-Service Men in the Irish Free State, and for a Grant in Aid to the Irish Free State in respect of Compensation to Transferred Officers."

Resolution agreed to.

VISITING FORCES (BRITISH COMMONWEALTH) BILL [*Lords*].

Order for Third Reading read.

Motion made, and Question proposed, "That the Bill be now read the Third time."

11.4 p.m.

Sir STAFFORD CRIPPS: I rise to move the rejection of the Bill, firstly because the Debate which was taking place on the most important Clause on the Report stage was closured by the Government in the middle of a most interesting speech by the hon. Member for Dundee (Mr. Dingle Foot), and the House had no opportunity to debate fully what is considered to be a very important matter indeed by a great many people who know something of the law. I want to deal particularly with the speech of the learned Solicitor-General on the last occasion, He admitted that this is a matter of profound importance, and also that it makes an exception to what has hitherto been the law as regards habeas corpus. The importance which he attaches to it is not the importance of the infringement of the Habeas Corpus Act, but the importance from what he called, I think, the constitutional point of view, as regards the position of the Dominions vis-a-vis this country. He argued that there had been very few cases where the writ of habeas corpus had been used in this country as regards naval or military courts-martial within the last century. It is true that there are very few such cases reported in the books, but it does not seem to me that that is a very good argument. It reminds one rather of the argument "because it was only a little one."

The fact of infringements of this sort upon the liberty of the subject is none the less serious because the writ of habeas corpus has not been used frequently in this kind of proceeding. It is, indeed, the restraining power of some over-riding prerogative writ of this sort that renders people very careful in the procedure of court-martial, and the value of it is very largely the fact that it exists, rather than the fact that it has constantly to be used. The hon. and learned Gentleman put what he conceived to be the real principle in these words:

> "The propriety of acceding to the request of the self-governing Dominions, whose constitutional status, after all, is recognised rather than granted by the Statute of Westminster, that the same privileges should be accorded to their visiting forces as are by the comity of nations accorded as between Sovereign States."—[OFFICIAL REPORT, 7th March, 1933; col. 1123, Vol. 275.]

That is the statement which, with the permission of the House, I want to examine. In my submission, such an argument can only arise from a fundamental misconception of the legal position. First of all, one has to examine what is the comity of nations. That is the first step in the hon. and learned Gentleman's argument. If I take his own quotation from Chief Justice Marshall of the United States, given in column 1124 of the OFFICIAL REPORT, though I do not agree that it is a statement that meets with universal acceptance, the point which is there stressed is that a Sovereign is understood to cede a portion of his territorial jurisdiction when he allows the troops of a foreign prince to pass through his Dominions. That is dealing with a matter quite different from the matter with which this present Bill is dealing. That is dealing with the question of the right of free passage of armed forces, when they are passing through a country on their way from their own country to some other country upon the other side.

That, naturally, is a thing that has never occurred, and never could occur, in this country, so long as we are an island. Therefore it could not have become, in this country, at any rate, a part of any accepted practice. The other case which he cites is the case of a ship. The position as regards a ship of war is, of course, entirely different. A ship of war is deemed to be foreign territory altogether, and is not dealt with as part of the territory within the jurisdiction of this country. The matter which he cites was the position of our own troops in France, during the Great War. That, of course, was a time of war, and of martial law, and the position, as he himself states later, was entirely different.

He emphasised the point that we did not then require any law in order to regularise the position.

The position here is that we do require law, and that is why this Bill is being passed into law. The question before the House is whether, in enacting that law, it is intended to insert a term to preserve the right to the writ of habeas corpus, or whether it is intended to insert the term, as it stands at present, to take away that right. Let me assume that, even in the case of visiting forces who have not been granted a right of passage through the country, there were some international law which took them out of the territorial jurisdiction of the country in which they found themselves. In that case, according to our domestic law in this country, that would not be the domestic law unless it could be found that it had been expressly adopted, either by legislation, or by the decisions of the courts, or by a long course of customary usage. None of these pertains as regards this country.

There is no example, in any of the books of domestic law in this country that I have been able to find, of any such provision that the writ of habeas corpus does not run as against foreign forces resident or visiting here. I have looked to see whether there is any such principle laid down in any of the standard books of law, and I have been unable to find it; and, in my submission to the House, it is wholly wrong to suggest that our courts could hold at the present moment that it was part of our Common Law that the writ of habeas corpus does not run in the case of a foreign soldier visiting this country.

But the real basis of the fallacy which lies behind the hon. and learned Gentleman's argument is that he is treating the Dominions as if they were foreign countries. He said, in his speech to the House, that the Dominions did not wish to be regarded as foreign countries, and then he went on to say that we have already accorded them constitutional status in many respects indistinguishable from that which foreign States enjoy. He seems to have overlooked the fact that there is one vital and important difference—common allegiance to a single Crown. I hear that he knows that, but he does not seem to have regarded it in his argument. The whole of his argument was based on foreign sovereignty, that is to say, two different sovereignties, the one sovereign in this country giving some special privilege by virtue of the position of another sovereign who is not within his jurisdiction. So far as the Dominions are concerned, how can any question of foreign sovereignty arise at all? I am surprised at the hon. and learned Gentleman treating so lightly and as so unimportant a factor this fundamental principle—what one might call the very linchpin of the British Commonwealth of Nations. I should like to know whether he suggests taking the true analogy that the High Commissioners of the Dominions are entitled to ambassadorial privilege, because that is precisely the same position. I venture to suggest that it will indeed be a new theory of law if the hon. and learned Gentleman suggests that the High Commissioners are entitled, by virtue of something akin to foreign sovereignty, to exemption from the domestic law of this country. The truth is that none of the attributes of foreign sovereignty upon which the hon. and learned Gentleman based himself in his argument is present when one comes to consider the question of Dominion status and the British Commonwealth's Constitution.

There can be no analogy between the Dominions and foreign countries upon this vital point. Indeed, if the hon. and learned Gentleman really puts this forward as his argument, it means that he is doing away with one of the conceptions that keep the British Commonwealth of Nations together. He is in fact saying that there is no more in the unity of the Crown than there is between us and any foreign country. It is a curious thing if we are going to treat our fellow British subjects from the Dominions worse than foreigners and in a way that makes them foreigners with a vengeance from a legal point of view. The constitutional point that he has raised in this way, I agree, is one of profound importance and one which, I think, would finally bring to an end the British Commonwealth of Nations if it were insisted upon. But I regard the point as regards the liberty of the subject as one that is equally important. I am surprised to find the Tory party not only the protagonists of the cutting down of the age long right of habeas corpus but of an argument that says there is

[Sir S. Cripps.]

nothing in our common sovereignty of the British Commonwealth of Nations and that we are indeed to treat them, not only in spirit but in law, as being under a foreign Sovereign. I ask the House not to show themselves so careless of these two great principles which are now involved just because it may be convenient for the commanding officer of some visiting forces from the Dominions to have rather greater freedom as regards courts-martial than he would have if he were a subject of this country. As we have no other effective way of protesting against this action by the Government, we shall feel it our duty to vote against the Third Reading.

11.18 p.m.

Mr. MALLALIEU: This matter has by now been very fully debated, not, I regret to say, from the Front Bench but from all other quarters of the House, and I certainly should not have risen at this time of night if it had not been for the rather peremptory manner in which the Government brought the Debate to an end when last the matter was before the House. There has been a most extraordinary consensus of opinion not only in legal circles, but amongst all Members of both Houses of Parliament, not that this is a Bill that is entirely unnecessary and wrong, but that certain effects of the Bill are not only unnecessary but actually wrong and harmful. The Solicitor-General, when last he addressed the House on the matter, seemed to try to have it both ways. At one moment he said it was a matter of profound importance, and the next minute he said there was practically nothing in it at all. Yet it is on this matter, although there was such a consensus of opinion against the Government, that the Government thought fit to apply the Closure. I am not going over all the old arguments which have been submitted by persons much more learned than myself. I am only going to say what is sufficient for the sake of the merest clarity. The position in this country at present is that there is no appeal from the military courts to the civil courts in the ordinary sense of the word "appeal," which means, I take it, the right of obtaining either a a new trial by the first court, or else a complete re-hearing by the second court. There is merely that very limited right of review by the Judge Advocate-General. Therefore there is no question at all here on the part of myself and my hon. Friends who think like me of interfering with the discipline of the forces. It is merely an attempt to exercise some sort of control over the persons who exercise inferior jurisdictions with a view to seeing that they do not exceed those jurisdictions and overstep the powers which have been given to them by Parliament. I thought it a singularly unfair use of the word "appeal" by the Financial Secretary to the War Office when last he spoke on this matter and suggested that those who were opposing the Bill were attempting to meddle in some way with the administration of discipline. He said:

> "The difficulty of making the change suggested in this Bill, to give the soldier the right of appeal to the civil courts in this country, is that it would go against the whole spirit of the Statute of Westminster to allow our civil courts to interfere with the discipline of Dominion troops, and if similar legislation was introduced in the Dominions it would obviously give great concern to our military authorities if they thought that our troops in the Dominions could appeal to the Dominions civil courts against a decision of the military authorities."—[OFFICIAL REPORT, 13th February, 1933; cols. 735 and 736, Vol. 274.]

In the first place it is not suggested that there should be any such appeal, and in the second place it rather looks as if the Financial Secretary to the War Office was unable to trust the Dominion courts since he expressed such very grave doubts as to whether our military authorities will approve of their supervision. The point is that the moment the military court exceeds its jurisdiction and does something which the law of the land does not permit it to do, the civil courts can come in and make the whole process void. I entirely agree with what the hon. and learned Member for East Bristol (Sir S. Cripps) said. He opposed the very justifiable boast of the Solicitor-General that there had been no successful recourse to the process of habeas corpus, I think he said, for 50 years. Is not the reason why there has been no such successful application precisely that there always was this controlling power of the courts behind the exercise of this jurisdiction? It has been said again and again by the Solicitor-General in the course of his now numerous speeches on this matter that this point is not really a serious matter, because it will never arise. I submit that, if this thing is bad in principle, it ought not to be allowed by this House merely because the area over which it will work is a small one. If it is bad in principle, we ought to stop it now. Certainly many people, not only in this House, but in another place, have regarded this matter as vitally affecting the liberty of at least a small section of British citizens. As Lord Buckmaster put it so eloquently, it is of the utmost importance that courts entrusted with these solemn powers—powers of life or death in some cases—over the liberty and lives of the people whom they have to judge should know that beyond them there is a power that can restrain any excessive use of the jurisdiction or any overstepping of the powers conferred by this House. If this control is relinquished—military officers are only human—irregularities will creep in, in the course of time.

The Solicitor-General ended up his speech by saying that it was a very small infraction of the principle underlying habeas corpus. In my submission there can be absolutely no reason why this House should not take notice of it if it is in fact a pernicious variation of that principle. He also said that the Dominions have asked for this thing, therefore we ought to let them have it, because we have given practically everything else we had to give them. I could understand the argument, which might be put forward with decency, that if the Dominions request us to barter away the rights of their own soldiers, we ought to do it, but I should very much like to hear a justification by the Government of the action of bartering away the rights of our soldiers who happen to visit the Dominions, just because the Dominions ask us to do it. What next shall we do at the dictation of Canberra, Ottawa and Capetown?

There is another matter of importance, and it is this, that it may be necessary in certain circumstances to curtail the liberty of the subject. If that is to be done, I say to those who introduce such a measure to the House: "Do it openly and frankly." Do not come here first of all and say: "We are doing nothing of the sort," and afterwards, when there is very considerable pressure from all parts of the House, say: "Well, perhaps we are doing it, but we are only doing it in such a small way." May I, without, I hope, any undue violence of words, say that the Government have exhibited a smugness which is only comparable to that of a blancmange at supper on a cold winter's night. They have gone in the face of the very highest legal authority both in this House and outside. They have said: "You are wrong and we are right; in any case it is only a small matter." The Solicitor-General always ends up with the statement that it is a little matter. The fact is that it is a very serious and vital matter. He made a cheap debating point by chiding my hon. and learned Friend the Member for East Bristol for not being here on Second Reading or being silent when he was here. Let me say a few words to the Members of the ruling party. There was a notice in one of the chief newspapers not long ago which said that a new bird had been added to the Zoo—the "processionary bird". This bird, announced the notice, without intending to be funny in the slightest, had as its only characteristic that of being able and willing to follow any of its species, in single file, without any apparent object and without any limit as to time.

Captain CROOKSHANK: The Liberal party.

Mr. MALLALIEU: I regard it as a great compliment that anyone should think that the Liberal party had always followed either its leader or anyone else. What I am asking is this: is the great Conservative party merely to follow round the Division Lobbies without exercising any judgment, or follow the lead of those hon. Members who have spoken so well and forcibly on this subject? I am suggesting that Members of the Conservative party should not be content to follow a lead through the Division lobbies which they know to be wrong. I do not believe that they are incapable of understanding the position for themselves, and I suggest that they should rise up in their wrath against the Government in this matter and march through the Division Lobby against this Bill, which has such a pernicious effect upon the liberties of some of His Majesty's subjects.

11.31 p.m.

The SOLICITOR GENERAL (Sir Boyd Merriman): I am grateful to the hon.

[The Solicitor-General.]

Member for the Colne Valley (Mr. Mallalieu) for one reference which he made, and that was to the numerous speeches I have had to make on this subject. I do not know about the sweet at the hon. Member's Sunday supper, to which he alluded, but I do know that this is the fourth time that this particular hash has appeared on the table of the House, and this is the fourth time I have addressed it on the matter. I really must ask the House once more to look at this matter in what I believe to be the true perspective. Who are the people about whom we are talking? We are talking about detachments of the forces raised and paid by the self-governing Dominions, who would be in this country at our invitation for some special occasion. With a little imagination we may suppose that it is not unlikely that on such an occasion the Dominion concerned would send us its best men; they would be here because they were the outstanding men in their regiments, everyone of whom would be, as it were, pledged to uphold the honour of the Dominion while in this country. I cannot imagine that there is any likelihood of a court martial at all, still less of there being any necessity for habeas corpus proceedings. It is said that it is only because there is the threat of habeas corpus proceedings that you can make these people careful to try their men properly. The hon. and learned Member for Bristol East (Sir S. Cripps) repeated that argument to-day. On the previous occasion he put it even more strongly. He said that it would be a temptation to ignore all the rules and to conduct their proceedings in a slap-dash way; a somewhat unworthy reflection on the officers of the self-governing Dominions. I have already reminded the House that no one in our lifetime has had an opportunity of judging the effect on officers in the Dominions or in this country of the threat of habeas corpus because no such case has occurred. But let me call the attention of the hon. and learned Member to this, that any single officer who is concerned in deliberately ignoring the rules and conducting court martial proceedings in a slap-dash way is amenable to the courts of his own country and if he is a party to sending a man to prison wrongfully he would be liable to civil damages for false imprisonment.

If we are going to talk about safeguards the fact that a person is liable for heavy damages is a much more effective safeguard than this somewhat impersonal threat of habeas corpus which has never been invoked in our lifetime. But these arguments are in my view of less importance than what I consider is the big constitutional argument on this matter.

The hon. and learned Member for East Bristol told us that no question of international comity arises here, that it is a purely domestic matter, that we are dealing with people who, because they are resident in this country, have got an absolute right to habeas corpus proceedings, and all the rest of it. He said that the quotation which I gave from Chief Justice Marshall could never apply in this country at all. I shall not read it again. The point was that the American Chief Justice of over a hundred years ago said that, where free passage was granted to troops, the Sovereign who had invited foreign troops into his State was taken to have waived jurisdiction over them. He said that it could not occur here. Of course, it can occur. It occurs every time a foreign ship comes into our ports. It occurred when the American troops came to this country on passage to France, and it could occur every time a foreign detachment comes over to us to take part in a review or demonstration or anything of that sort. He said there was no such thing as the immunity of foreign troops from habeas corpus. He invited me to give him any quotation from the text-books about it. He said that he had read all those books. I can only say that I have read very carefully both in Hall and Oppenheim——

Sir S. CRIPPS: I said a quotation in a book of domestic law. Both of those books are on international law.

The SOLICITOR-GENERAL: But the hon. and learned Gentleman knows as well as I do that anything which is recognised as being the accepted international law is part of the common law of this country.

Sir S. CRIPPS: No.

The SOLICITOR-GENERAL: I have taken the trouble to verify the references. I find there is authority for my contention not very long ago in a decision in the House of Lords, and I am content to leave it at that. But let me come to the text writers. I will give two quotations. Hall, who is one of the recognised authorities on international law, after referring to the fact that very often agreements are made and that these things are the subject of conventions, says:

> "It is believed that the commanders, not only of forces in transit through a friendly country with which no convention exists, but also of forces stationed there, assert exclusive jurisdiction in principle in respect of offences committed by persons under their command, though they may be willing as a matter of concession to hand over culprits to the civil power when they have confidence in the courts, and when their stay is likely to be long enough to allow of the case being watched."

With regard to foreign warships visiting our ports the writer to whom I have referred, after saying that they have complete immunity states in a footnote and it is in the part of the book that refers to Chief Justice Marshall's judgment:

> "Nor, of course, will a writ of *habeas corpus* issued by the local court run upon a foreign man-of-war, or upon a prize lawfully brought into a neutral port."

And then he gives the authority for it. But when we are told, as we are told by the hon. and learned Gentleman, that there is no analogy between this sort of thing and immunity given to a Dominion, that by bringing forward this Bill we are doing away with the one conception which keeps the British Commonwealth of Nations together, and that we are trying finally to bring to an end the British Commonwealth of Nations, I really do take grave exception to his statement. The hon. and learned Gentleman on the last occasion said that this matter had been settled at what he was pleased to call "some convention or some meeting," when this matter was arranged between the Dominions as a matter of convenience between the naval and military experts. I have taken pains to find out how this matter did arise. There was an Imperial Conference in 1926, and as a result of that the matter was referred to a committee which was to report on the operation of Dominion legislation and merchant shipping legislation, and I find that the British representatives on that committee were the right hon. Lord Passfield, then Secretary of State for Dominion Affairs, Sir William Jowitt, then His Majesty's Attorney-General, the Treasury Solicitor and the legal advisers of various Government departments including the Board of Trade. Canada was represented by the Minister of Justice and various other authoritative representatives and so on, through the other Dominions. After considerable deliberation they issued a report in the end of 1929. The hon. and learned Member for East Bristol was not then interested in the government of the country—of which Government he afterwards became so distinguished a member. However, the report was issued. It dealt with the extra-territorial operation of Dominion legislation and recommended a clause in the exact words in which it eventually took shape in what is now Section 3 of the Statute of Westminster which declares and enacts that the Parliament of a Dominion has full power to make laws having extra-territorial operation. The committee, further, reported as follows:

> "In connection with the exercise of extra-territorial legislative powers, we consider that provision should be made for the customary extra-territorial immunities with regard to internal discipline enjoyed by the armed forces of one Government when present in the territory of another Government with the consent of the latter."

I hope the House notes the words which the then Attorney-General sanctioned: "The customary extra-territorial immunities", which, according to the hon. and learned Member for East Bristol, apparently, exist only in my imagination.

> "Such an arrangement would be of mutual advantage and common convenience to all parts of the Commonwealth, and we recommend that provision should be made by each member of the Commonwealth to give effect to such customary extra-territorial immunities——"

again I ask hon. Members to note those words—

> "within its territory, as regards other Members of the Commonwealth."

That report was issued in December, 1929. The matter, apparently, was still more closely investigated, and eventually came up at a time when the hon. and learned Member for East Bristol had, I think, assumed the office which he adorned for some time—I say that with perfect sincerity. In November, 1930, the matter came, not before "some meeting or convention" but before the Prime Ministers and heads of delegations present at the Imperial Conference of 1930, and it was then decided to put on a statutory basis, this recommendation which the committees had put forward.

[The Solicitor-General.]

Will the House note that at that time there is a perfectly good precedent for the form that the statutory basis should take, because during the presence of the American troops in this country, although for a time the matter was left to "the customary extra-territorial immunities", it was found necessary—obviously when an enormous number of troops were quartered here, they were not confined to barracks, or within their lines the whole of the time—to regularise their position more exactly.

Legislation was passed through Order in Council, and verbally that legislation took almost exactly the form of the legislation which we are now discussing, so that when it was decided to put this matter on a statutory basis, they had this very precedent in front of them. That is the bargain which we are carrying out, not a thing settled in some hole and corner way between a few naval and military experts, but the deliberate wish of an Imperial Conference, deliberately considered for years, and decided upon in 1930. I really suggest to the House of Commons that all this question about the theoretical invasion of habeas corpus fades into insignificance when it is seen that that is the real issue that we are discussing.

11.46 p.m.

Mr. KINGSLEY GRIFFITH: I want—[HON. MEMBERS: "Divide!"]—I shall not keep the House long, but I want some of those hon. Members behind me to be disabused of the idea that the objection to this Bill comes purely from the Opposition or from a Liberal source. The first Member of this House to call attention in this House to the objections to this Bill was a very learned Member of the Conservative party, the hon. and learned Member for Norwood (Sir W. Greaves-Lord), and in the course of the Debates in both Houses, I believe I am right in saying, there has not been a single legal opinion, except that of the official Government speakers, expressed on behalf of this Bill.

The SOLICITOR-GENERAL: Does the hon. Member recognise the authority of the Secretary of State for War, who happens to be an ex-Lord Chancellor?

Mr. GRIFFITH: If the learned Solicitor-General would pay me the compliment of noticing what I said, instead of putting other words in my mouth, he would have noticed that I said "except official speakers for the Government." Those were my words, and I gather that in the Upper House the very learned Lord to whom he refers was the official speaker for the Government. I am sorry if he did not follow my point, but I do not think it is my fault. When he came to make his apology for what the Government is doing, he put before the House the supposition that after all these troops would be such fine fellows that there would not be any courts-martial at all in practice. That was his suggestion, not mine. But if that were the case, the necessity for the Bill would disappear. The Bill assumes that there will be courts-martial, and if those court-martialled are, as I think they would be, persons of an exceptionally high quality, there is all the more reason that they should have all the protection that can be given to them.

Another attempt which the learned Solicitor-General made to put into the mouth of the opposition something which they would not say was to suggest that the mistakes against which we seek to guard would necessarily be deliberate mistakes. He said that, if any officer on a court-martial or in charge of the proceedings was to be guilty of deliberately ignoring the rules, he would incur pains and penalties in his own country. I am not considering any deliberate infraction at all. In a brief but enforced cessation of active service during the War, I had to act for a time as Judge-Advocate, and I found that innumerable mistakes were made, not through deliberation at all, but through inadvertence and the pressure of the preoccupations of the war, which did not allow of everything to be considered as fully as it was desirable that they should be considered. There is no question of deliberate mistakes. There may be any amount of injustice done by inadvertence, and before the House passes this Bill I want them to realise what could be done without any power on the part of anyone to rescue the unfortunate victim.

We have to realise that a certificate, which may be signed by any junior officer, is enough to establish that everything has been done in order, although in fact it may be exactly the reverse. The things which under Clause 3 are deemed to have been done are really very amazing. The court shall be deemed to have been properly constituted, its proceedings shall be deemed to have been regularly conducted, the sentence shall be deemed to have been within the jurisdiction of the court, and, if the sentence has been executed, it shall be deemed to have been regularly executed. Although these things may be deemed to have been done, they may be the reverse. The court may be quite irregularly constituted, the man may be tried for an offence for which he should not come before the court, the sentence may be an improper one. I am not suggesting that all these defects are in the least likely to come together in one case. I am saying that, even if they did, no one would have any power to interfere with them. The only question the court in this country could ask was whether the person concerned was a member of the visiting forces, which could easily be proved. Not only members of the visiting forces will be affected, but also civilians employed in connection with those forces provided they are taken on the strength before coming here.

It is no good pretending that there is no danger that these things can happen on British soil and that those who have raised the opposition are merely taking debating points and trying to take advantage of the good nature of the Solicitor-General. We would not have engaged his attention or that of the House so long if this were not a principle on which so great a legal authority as Lord Atkin, who belongs, I believe, to no particular party, took the trouble to write a long letter to the "Times." When judges so highly placed take such a serious view as that, then the members of the House of Commons, who are the guardians of the liberty of the subject, no matter what their party, should forget their party for the time being and join in resisting a Bill which does violence to that liberty.

Question put, "That the Bill be now read the Third time."

The House divided: Ayes, 157; Noes, 30.

Division No. 79.] AYES. [11.54 p.m.

Agnew, Lieut.-Com. P. G.
Albery, Irving James
Apsley, Lord
Aske, Sir Robert William
Astor, Maj. Hn. John J. (Kent, Dover)
Barclay-Harvey, C. M.
Bateman, A. L.
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Beit, Sir Alfred L.
Benn, Sir Arthur Shirley
Bird, Ernest Roy (Yorks., Skipton)
Bossom, A. C.
Boulton, W. W.
Bowyer, Capt. Sir George E. W.
Broadbent, Colonel John
Brown, Ernest (Leith)
Brown, Brig.-Gen. H. C. (Berks., Newb'y)
Burghley, Lord
Burgin, Dr. Edward Leslie
Campbell, Edward Taswell (Bromley)
Campbell, Vice-Admiral G. (Burnley)
Caporn, Arthur Cecil
Carver, Major William H.
Gazalet, Thelma (Islington, E.)
Chorlton, Alan Ernest Leofric
Clayton, Dr. George C.
Cobb, Sir Cyril
Cochrane, Commander Hon A. D.
Colfox, Major William Philip
Colman, N. C. D.
Colville, Lieut.-Colonel J.
Conant, R. J. E.
Cook, Thomas A.
Cooper, A. Duff
Copeland, Ida
Croft, Brigadier-General Sir H.
Crooke, J. Smedley
Crookshank, Capt. H. C. (Gainsb'ro)
Cruddas, Lieut.-Colonel Bernard
Davidson, Rt. Hon. J. C. C.
Donner, P. W.
Drewe, Cedric
Duggan, Hubert John
Duncan, James A. L. (Kensington, N.)
Ellis, Sir R. Geoffrey
Elmley, Viscount
Erskine, Lord (Weston-super-Mare)
Everard, W. Lindsay
Fremantle, Sir Francis
Glossop, C. W. H.
Gluckstein, Louis Halle
Goff, Sir Park
Goodman, Colonel Albert W.
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Graves, Marjorie
Grimston, R. V.
Gunston, Captain D. W.
Hacking, Rt. Hon. Douglas H.
Hamilton, Sir George (Ilford)
Hannon, Patrick Joseph Henry
Harbord, Arthur
Headlam, Lieut.-Col. Cuthbert M.
Heilgers, Captain F. F. A.
Herbert, Capt. S. (Abbey Division)
Hornby, Frank
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M. (Hackney, N.)
Hutchison, W. D. (Essex, Romf'd)
Jamieson, Douglas
Jennings, Roland
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Kimball, Lawrence
Knebworth, Viscount
Law, Richard K. (Hull, S.W.)
Leckie, J. A.
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Lloyd, Geoffrey
Lockwood John C. (Hackney, C.)
Lovat-Fraser, James Alexander
Mahane, William
MacAndrew, Lt.-Col C. G. (Partick)
MacAndrew, Capt J. O. (Ayr)
McCorquodale, M. S.
MacDonald, Malcolm (Bassetlaw)
McKie, John Hamilton
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Makins, Brigadier-General Ernest
Margesson, Capt. Rt. Hon. H. D. R.
Martin, Thomas B.
Mayhew, Lieut.-Colonel John
Merriman, Sir F. Boyd
Milne, Charles
Mitchell, Harold P. (Br'tf'd & Chisw'k)
Morgan, Robert H.
Morris, John Patrick (Salford, N.)
Morris-Jones, Dr. J. H. (Denbigh)
Muirhead, Major A. J.
Munro, Patrick
Nation, Brigadier-General J. J. H.
Nicholson, Godfrey (Morpeth)
North, Captain Edward T.
Nunn, William
O'Donovan, Dr. William James
Palmer, Francis Noel
Pearson, William G.
Peat, Charles U.
Penny, Sir George
Petherick, M.
Pickford, Hon. Mary Ada
Powell, Lieut.-Col. Evelyn G. H.
Raikes, Henry V. A. M.
Ramsay, Capt. A. H. M. (Midlothian)
Ramsay, T. B. W. (Western Isles)
Ramsden, Sir Eugene
Ray, Sir William
Reid, Capt. A. Cunningham-
Reid, James S. C. (Stirling)
Reid, William Allan (Derby)
Robinson, John Roland
Rosbotham, Sir Samuel
Ross, Ronald D.
Ross Taylor, Walter (Woodbridge)
Runge, Norah Cecil
Rutherford, Sir John Hugo
Salmon, Sir Isidore
Salt, Edward W.
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Shaw, Helen B. (Lanark, Bothwell)

Smith, Bracewell (Dulwich)
Somervell, Donald Bradley
Soper, Richard
Sotheron-Estcourt, Captain T. E.
Southby, Commander Archibald R. J.
Stevenson, James
Stones, James
Strauss, Edward A.
Strickland, Captain W. F.
Sueter, Rear-Admiral Murray F.
Sugden, Sir Wilfrid Hart
Templeton, William P.
Thomas, James P. L. (Hereford)
Thompson, Luke
Titchfield, Major the Marquess of
Touche, Gordon Cosmo
Wallace, Captain D. E. (Hornsey)
Ward, Irene Mary Bewick (Wallsend)
Ward, Sarah Adelaide (Cannock)
Wells, Sydney Richard
Whiteside, Borras Noel H.
Williams, Charles (Devon, Torquay)
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Womersley, Walter James

TELLERS FOR THE AYES.—Sir Frederick Thomson and Lieut.-Colonel Sir Lambert Ward.

NOES.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Batey, Joseph
Bernays, Robert
Bracken, Brendan
Cape, Thomas
Cocks, Frederick Seymour
Cripps, Sir Stafford
Daggar, George
Davies, David L. (Pontypridd)
Davies, Rhys John (Westhoughton)
Edwards, Charles
Foot, Dingle (Dundee)
Griffith, F. Kingsley (Middlesbro', W.)
Janner, Barnett
Johnstone, Harcourt (S. Shields)
Jones, Morgan (Caerphilly)
Lansbury, Rt. Hon. George
Lawson, John James
Logan, David Gilbert
Lunn, William
McEntee, Valentine L.
Mallalieu, Edward Lancelot
Milner, Major James
Parkinson, John Allen
Price, Gabriel
Rea, Walter Russell
Samuel, Rt. Hon. Sir H. (Darwen)
Tinker, John Joseph
Williams, Thomas (York, Don Valley)

TELLERS FOR THE NOES.—Mr. Groves and Mr. Gordon Macdonald.

Bill accordingly read the Third time, and passed, with Amendments.

SUNDAY ENTERTAINMENTS ACT, 1932.

Resolved,

"That the Order made by the Secretary of State under the Sunday Entertainments Act, 1932, for extending Section one of that Act to the Borough of Leominster, which was presented on the 1st day of March, 1933, be approved."

Resolved,

"That the Order made by the Secretary of State under the Sunday Entertainments Act, 1932, for extending Section one of that Act to the urban district of Merton and Morden, which was presented on the 1st day of March, 1933, be approved."

Resolved,

"That the Order made by the Secretary of State under the Sunday Entertainments Act, 1932, for extending Section one of that Act to the County Borough of Portsmouth, which was presented on the 2nd day of March, 1933, be approved."—[*Mr. Hacking.*]

ELECTRICITY (SUPPLY) ACTS.

Resolved,

"That the Special Order made by the Electricity Commissioners under the Electricity (Supply) Acts, 1882 to 1928, and confirmed by the Minister of Transport under the Electricity (Supply) Act, 1919, and the Public Works Facilities Act, 1930, in respect of the urban district of Machynlleth and part of the rural district of Machynlleth, in the County of Montgomery, which was presented on the 19th day of December, 1932, be approved."

Resolved,

"That the Special Order made by the Electricity Commissioners under the Electricity (Supply) Acts, 1882 to 1928, and confirmed by the Minister of Transport under the Electricity (Supply) Act, 1919, in respect of parts of the rural districts of Crediton, Saint Thomas, and Torrington, in the County of Devon, which was presented on the 7th day of February, 1933, be approved."

Resolved,

"That the Special Order made by the Electricity Commissioners under the Electricity (Supply) Acts, 1882 to 1928, and Section 87 of the Stretford and District Electricity Board Act, 1928, and confirmed by the Minister of Transport under the Electricity (Supply) Act, 1919, for the transfer of the undertaking authorised by the Irlam Electric Lighting Order, 1915, to the Stretford and District Electricity Board, and to make the Urban District Council of Irlam a constituent authority of the Board, which was presented on the 8th day of February, 1933, be approved."—[*Lieut.-Colonel Headlam.*]

The remaining Orders were read, and postponed.

It being after Half-past Eleven of the Clock upon Thursday evening, Mr. DEPUTY-SPEAKER *adjourned the House, without Question put, pursuant to the Standing Order.*

Adjourned at Five Minutes after Twelve o'Clock.

HOUSE OF COMMONS.

Friday, 10th March, 1933.

The House met at Eleven of the Clock, Mr. SPEAKER *in the Chair.*

PRIVATE BUSINESS.

Preston Corporation Bill,

Read the Third time, and passed.

York Corporation Transport Bill (by Order),

Read a Second time, and committed.

ORAL ANSWER TO QUESTION.

BUSINESS OF THE HOUSE.

Mr. LANSBURY: May I ask the Parliamentary Secretary to the Treasury if he will make a statement as to the business for next Monday?

The PARLIAMENTARY SECRETARY to the TREASURY (Captain Margesson): As a result of conversations which have taken place through the usual channels, extra time will be given to the preliminary stages of the Agricultural Marketing Bill. The Debate on the Second Reading will begin on Monday next and be concluded on Monday week, March 20th. We shall also consider on that day—that is, March 20th—the Committee stage of the Financial Resolution for the Agricultural Marketing Bill and Motions approving the Additional Import Duties (No. 1) Order, 1933, and the Scottish Raspberries Marketing Scheme.

I may add, for the information of Members, that it has been agreed to take the Committee stage of the Local Government (General Exchequer Contributions) Bill after the Air Estimates on Tuesday of next week, and the Third Reading of that Bill after the Navy Estimates, and the formal Ways and Means Resolution on Thursday.

Mr. LANSBURY: Speaking for my friends, we are much obliged to the Patronage Secretary for making the arrangement with respect to the Agricultural Marketing Bill, but we want to reserve thanks in regard to the Motions approving the Additional Import Duties Order. We agree to them being taken in this way on Monday, but we hope that on the next occasion they will be taken at a more convenient time.

FOREIGN JUDGMENTS (RECIPROCAL ENFORCEMENT) BILL [*Lords*].

Read the First time; to be read a Second time upon Monday next, and to be printed. [Bill 70.]

WRITTEN ANSWER.

SECONDARY SCHOOL FEES, WALES.

Mr. MORGAN JONES asked the Parliamentary Secretary to the Board of Education what progress has been made in Wales with regard to the new arrangements for secondary school fees since the interview which took place in December last between representatives of Welsh national bodies and the President of the Board of Education?

Mr. RAMSBOTHAM: My Noble Friend understands that in the course of the past two months all the Welsh local education authorities have been giving close attention to this matter. Deputations from a number of them have had mutually helpful discussions on their proposals with officers of the Board at Whitehall, and most of the authorities have now submitted their proposals to the Board. In only a few exceptional cases have no discussions yet taken place, but it is understood that in these cases also the authorities have their proposals under active consideration. In the circumstances, the Board have every reason to believe that before the end of the present month proposals will have been received by them in respect of each area in Wales and Monmouthshire, and that a proportion of these will have been approved.

ORDERS OF THE DAY.

MUNICIPAL CORPORATIONS AUDIT BILL.

Order for Second Reading read.

11.7 a.m.

Mr. PETHERICK: I beg to move, "That the Bill be now read a Second time."

A private Member who is so fortunate as to obtain a place in the ballot for private Members' Bills has several courses open to him. He can chase a rather spectacular hare and can introduce some Measure which is controversial, and he may, indeed, have a grand Debate on his Second Reading, with all the big batteries being brought into action, and, even if he does not have any success in obtaining a Second Reading, he often has the effect, by obtaining a long Debate, of reminding the country and the House that hares have an odd habit of running in circles. He can adopt another course and introduce some Measure of a humanitarian nature in which he is particularly interested and a Measure perhaps of an entirely non-controversial character in the ordinary party sense, but such measures have a habit of provoking more active controversy than purely party Measures. He may adopt another course and endeavour to search round for a Bill which may provide for a really useful, if modest, measure of reform. I have, in bringing forward this Bill, adopted the last-named course.

I feel that perhaps the title of the Bill may have misled some of my hon. Friends who have been actively endeavouring to persuade an iron-hearted Chancellor to reduce the taxation on beer. I think that I owe them some apology for the disappointment which I must have caused them, if, encouraged possibly by the title of the Bill, they have read it through only to find that Audit refers to accounts and not to ale. The object of the Bill is simply to provide for a better system of supervision of the audit of accounts of municipal corporations in this country. It is only right and proper at this juncture to pay a tribute to the magnificent system of local government which we have in this country. For generations, and, indeed, for centuries, hard working and loyal men and women have slaved day in and day out in order to build up the structure of local government which at present we enjoy in Great Britain. I believe that everything that this House can do reasonably and properly in order to help them in their labours should be done.

There are at the present time three systems of audit of local government accounts in this country. There is, first, the district audit system, there is the elective system, and there is the professional system of audit. I will discuss the present position for a brief period and will then go on to say a few words about the Bill itself, and, finally, try to answer some of the objections to the Bill which may possibly be raised by hon. Members. The district system of audit had its origin in the District Auditors Act of 1879, and under that Act the President of the Local Government Board, now, of course, the Minister of Health, was empowered, with Treasury sanction, to appoint district auditors to audit the accounts of those local authorities which might from time to time be made subject to district audit. The duties of these district auditors are similar to those of the ordinary professional chartered accountant. Their duties are, firstly, to examine all the accounts—the revenue and the expenditure—to see that everything is correct and according to the law, and then they have to make a report to the local authority concerned and also a report to the Minister of Health.

The question may be raised as to how the district auditors are paid. They are paid directly by the Ministry of Health, but the expenditure is recovered from the local authorities by means of Stamp Duty, so that the charge does not fall upon the Exchequer. They are, in fact, self-supporting. As to the question of personnel, the staff of the district audit office are recruited in the ordinary way by Civil Service examination. They are subjected to a training similar to that of an articled clerk in a chartered accountant's office, and after a period of a few years, when the training has been considered adequate, they are entitled to go in for an examination, and, if they are successful, they are then put on to the outdoor auditing staff. It may be claimed that the district auditors do their work extremely well.

They have very onerous duties, and they carry them out in the main extremely satisfactorily. Of course, no organisation can be 100 per cent. efficient. I have even heard certain people so bold as to say that the National Government is not 100 per cent. efficient, but I believe sincerely that it is the best Government we have had for many generations. At the same time, I feel that the district audit staff is a very able and capable body of men, and if, as a result of this Bill, their duties are extended, we may take it that they will carry them out extremely well.

With regard to the powers of the district auditor, this is a very important point because the district auditor has certain important powers which do not appertain to professional auditors, that is to say, chartered accountants, or to elective auditors, about which I shall have something to say in a few minutes. He has the most important power of surcharge and disallowance. If unauthorised expenditure has been incurred by an officer or a member of the council of the borough and the district auditor discovers this in the course of his duties, he is entitled to disallow the amount and to surcharge the amount upon the delinquents. Without any appeal, that might be an extreme power, because he is an independent statutory authority, but the person who is surcharged has a right of appeal to the King's Bench, the High Court if the amount is more than £500, and if it less than £500 he has a right of appeal to the Ministry of Health or to the High Court. Over a period of years more and more accounts of local authorities have been brought under the system of district audit. There have been many Acts, such as the Public Health Act, 1875, the Local Government Acts of 1888 and 1894, and the Rating and Valuation Act, which have brought various forms of local authorities' accounts under the system of district audit. At the present time something like 11,000 local authorities are subject to the system of district audit.

Mr. HERBERT WILLIAMS: 11,000 or 1,100?

Mr, PETHERICK: Eleven thousand. In the main, the accounts which are subject to this system of audit are those of the county councils, the urban district councils, the rural district councils and various other minor forms of local authority. The accounts of the London County Council and the boroughs in London are also subject to the same system of district audit. In the main, the boroughs outside London are not subject to this system of district or government audit, but many of their accounts are directly subject to it. For instance, the education accounts, the various housing accounts, the public assistance accounts and the Catchment Board accounts under the 1930 Act are all subject to district audit. The object of the Bill is to enable the borough councils that are not so far wholly affected to bring the remainder of their accounts under the system of district audit or professional audit, if they so wish.

The remaining boroughs that are not subject to district audit are either subject to elective audit or professional audit. The system of elective audit had its origin in the Municipal Corporations Act, 1882, which laid it down that the boroughs were to appoint elective auditors in the following manner. The Mayor was to nominate one and the burgesses, two. The Act, furthermore, lays down their duties and powers. The elective system of audit, although in many ways it may have worked fairly satisfactorily, has very few defenders, because the elective auditors need have absolutely no professional qualifications of any sort or kind, although they may be very eminent, respectable and efficient men, in their way. It is not usual for anyone who is suffering from influenza or some other disease to call in, say, a pork butcher, or a professional cricketer, or a politician in preference to a physician. Obviously, in a highly technical matter of this kind if you wish your accounts to be properly audited you call in the very best auditor that you can get. The elective system of audit is archaic and utterly out of date, and I sincerely hope that if this Bill becomes an Act of Parliament the many boroughs all over the country which are at present subject to elective audit will opt either for district audit or for professional audit. The elective auditors have absolutely no powers of surcharge or disallowance. All that they can do, I understand, is simply to make a note and to make representations, but their powers are practically nil.

[Mr. Petherick.]

A few words with regard to the professional audit. As the result of many local Acts certain boroughs have, at considerable expense and a great deal of waste of time, freed themselves from the obligations imposed upon them under the Municipal Corporations Act, 1882, by asking Parliament for powers to appoint professional or, in some cases, district auditors. These powers have been granted. Some boroughs prefer ordinary chartered accountants rather than district auditors, and their views are worthy of respect. They may act on personal grounds. They may know certain professional accountants in their district in whom they have extreme confidence and they may wish to appoint that particular firm to audit their accounts, or they may have some prejudice against the district auditors on the ground, perhaps, that the staff in their particular locality may not be large enough to cope with the accounts of a really important borough. Whether these arguments are right or wrong they do not affect the case, because this Bill gives the right to employ professional accountants to audit the accounts.

The professional accountant has no power of surcharge or disallowance. The system of audit by professional accountants of the accounts of boroughs is of comparatively recent origin. Many boroughs have seen fit, as I have said, to adopt this system by arranging for the passing through Parliament of Local Acts, giving them the necessary powers. It is, however, obviously unfair and unsound to expect local authorities, borough councils, to expend considerable amounts of money and to waste their time in putting these Local Acts through Parliament, and a reform is long overdue to give them the option of employing either professional accountants or district auditors, as the case may be. The Bill enables them to do that.

I need not explain the Bill at length. Clause 1, Subsection (1, *a*) gives authority to the borough councils to adopt the system of district audit, and paragraph (*b*) indicates certain repeals which are necessary in previous Acts which no longer apply. Sub-section (2) gives authority to boroughs to adopt the system of professional audit. Sub-section (3) provides a perfectly simple method by which those boroughs which wish to opt for one or the other, for the district or the professional audit, to do so in a very brief space of time. In the Schedule may be found the names and duties of certain associations and institutes of Chartered Accountants but it is not necessary for me to discuss it, although some hon. Members may wish to bring up a point in regard to it.

Finally I believe that the Bill will fill a long-felt want. It is purely permissive in character; it does not force anybody to do anything. It enables borough councils, if they wish, to adopt a better system for the auditing of their accounts than the outworn elective system. That is a point which cannot be too strongly emphasised. Local authorities, partly due to general conditions and partly to Acts of Parliament for which this House is responsible, have quite enough to put up with as it is, and we do not want to force them to do something which they do not want to do.

Let me deal with some possible objections which may be raised. The main line of criticism will probably be that the Bill does not go far enough, some hon. Members may say that the elective system should be done away with altogether. My answer is that we do not wish to coerce local authorities who are doing their work very well and, secondly, that if the elective system is eliminated entirely there would be an immediate rush of borough councils to take professional or district auditors. A district auditor's staff must, in the nature of the case, be limited, and if there was a great rush of borough councils asking the Minister to give them facilities to have their accounts audited by district auditors either the service would not be sufficient or adequate to meet the demand or else it would be necessary for the district auditor to take on, in a panic, a large additional staff. If the Bill is permissive it gives an opportunity for borough councils over a period of years to decide whether they wish to have a district or a professional audit, and if they so choose then there would not be a rush, but a slow movement in that direction and, consequently, the Minister would be able to arrange for a gradual and orderly extension of the district auditor's staff.

The other objection comes from a slightly different standpoint. The majority Report of the Committee on Local Expenditure recommended that all remaining accounts of borough councils, which are not already audited by district auditors, should be subject to such audit. I have answered that objection; but there was a minority reservation which seems to indicate that all accounts not subject to district audit should be made absolutely subject to professional audit. My answer to that is in the main the same as I have already given. It is unwise and unfair to force local authorities to adopt a professional audit if they do not wish. I am not decrying the system of professional accountancy. We have in this country a system of chartered accountancy which is second to none, and this is indicated by the fact that our big firms of chartered accountants have branches, not only in this country, but in the Dominions and in foreign countries. The Bill will, I believe, produce a very much needed, if modest, system of reform. It will conduce to economy, and economy of the kind which we all desire, non-controversial economy in administration. It will also tend to a much sounder system of auditing the accounts of borough councils, which also hon. Members would like to see brought about. I hope the Parliamentary Secretary will see his way to grant facilities for the passage of this Bill, and I commend it to hon. Members of all sections of opinion in the House.

11.31 a.m.

Mr. LAW: I beg to second the Motion.

My hon. Friend has explained the complicated and somewhat technical provisions of the Bill in a speech of so much lucidity and force that there is very little I need add. I propose to take only a few moments in putting before the House some general considerations in support of the Measure. The system of district audit is already fairly general in the country, but there are some notable exceptions, and I suggest that these exceptions are wrong not only from the point of view of expediency but wrong in principle. The principle of elective audit is thoroughly vicious. It is one of the cardinal principles of sound administration that any office which is purely technical in character and which has no sort of political or representative aspect at all should be filled on considerations of technical and professional merit, and should not be subjected even to the possibility of political influence. That is altogether foreign to the spirit of our constitution. It is one of the least happy features of the constitution of the United States that it is almost exclusively permeated by the electoral principle. In that country it is not only the President and Governors, senators and congressmen, who are elected, but, judges and postmistresses as well. The principle extends throughout the American constitution. We have managed to rid ourselves of that principle, and when we find it in operation, as we do in this case, it is our duty to do what we can to rid ourselves of it.

With regard to expediency my hon. Friend has shown quite conclusively that the system of elective audit is not likely to lead to an efficient kind of audit. Apart from that the process of the election of an auditor is cumbrous and expensive. There is the preparation of the election and the nomination papers, and the ballot papers, which is liable to lead to considerable expense. Apart from the fact that it is cumbrous it is liable to lead to considerable expense, and it may be condemned on that ground.

My hon. Friend referred to the general efficiency of district auditors. He said that the system had been in operation for a number of years and had given considerable satisfaction. On that point I would refer to the very striking decrease there has been in the last two years in disallowances and surcharges and appeals. In the year 1919-20 there were 1,302 disallowances and surcharges, and 143 appeals. In the year 1924-25 the number of disallowances and surcharges had been decreased to 838, and the number of appeals to 67. I think the House will agree that those figures imply that the system of district audit is efficient and that it is working with increasing smoothness and satisfaction to the various bodies who are using it.

On the question of the cost of district audit the figures that are available show that the cost is very reasonable. The total expenditure which is subject to district audit is approximately £500,000,000 and the cost of the audit is £200,000. That cost is very reasonable and would compare very favourably, I think, with the cost of the ordinary audit of a commercial concern. If the system of district audit is both efficient and economic it is something that should be encouraged by this House.

[Mr. Law.]

I think the House will agree to the principles of this Bill, and that such objections as there are to be raised will not be raised to the principles but to certain of the incidentals. My hon. Friend referred to some of the objections which may be raised, and I would like briefly to refer to one other kind of objection. It will be seen in the Schedule to the Bill that the number of societies named as suitable for professional audit is limited to four. It may well be that there are other societies of accountants who feel that they should be included also. But these four societies are those which are already recognised by Parliament as being fitted for the audit of this kind of account. The attitude of Parliament has been defined by the Chairman of the Local Legislation Committee, who said in 1914:

> "We are not prepared to give an absolutely unlimited power to any Corporation to have an audit by any person who may be selected. There must be a standard of some sort."

The House will agree with that principle. There is a standard, but it is a flexible one. The fact that these four societies are mentioned in the Schedule does not mean that only these four societies will be able to audit the accounts of corporations in perpetuity. The list can be added to in future, as it has been added to in the past. The fact that any society is not specifically mentioned in the Schedule does not mean that it is debarred in perpetuity from the operation of the Bill. That objection is one which will inevitably be remedied in particular instances as time passes. My hon. Friend has shown with very great force the advantages of the Bill, and that the objections to it are in no sense fundamental objections, and I very much hope that the House will see its way to give the Bill a Second Reading.

11.42 a.m.

Lieut.-Colonel CHARLES KERR: I beg to move, to leave out the word "now," and at the end of the Question to add the words "upon this day six months."

As a humble petitioner on behalf of three Scottish societies of chartered accountants I crave the sympathy and the well-known sense of fair play that is so characteristic of the great English nation. I am pleading for the three great Scottish societies of accountants, the Society of Accountants in Edinburgh, the Institute of Accountants and Actuaries in Glasgow, and the Society of Accountants in Aberdeen. I ask that these societies should be added to the Schedule. I am sure that there is no intention that injustice should be done to the Scottish accountants. If the House will turn to Paragraph 2 of the Schedule, it will be found that the English societies are the only ones mentioned as being able to carry out the provisions of the Bill. It will be readily admitted that the Scottish accountants are severely penalised.

Scottish accountants practise in England and many of them are partners in English firms. Members of these societies who are Scottish accountants in an English firm are debarred from appointment as auditors in the manner mentioned in the Bill. I would like to congratulate the promoter of this Bill on his speech. He has followed the ordinary course in presenting Bills of this nature. As I said, there are many Scottish accountants practising in England and in the world, some of them of the very highest distinction. In pleading for the extension of the Schedule I plead for a fundamental extension of the scope of the Bill, and therefore I have been so bold as to raise the matter on the Second Reading.

In the past there has always been the happiest relationships between the English and Scottish chartered accountants societies and those relationships continue to-day. That fact will, I think, be made evident by what I am about to tell the House. Last year mutual arrangements were reached between the joint council representing the three Scottish chartered societies, and the representatives of the four bodies specified in this Bill under which it was agreed that the latter would not object to the inclusion of the names of the three Scottish societies in any English Bill in which there was a model audit Clause, the Scottish societies similarly agreeing not to object to the inclusion of the names of the four English societies in the audit Clause of Scottish Orders in Council.

In the present Session, seven Bills containing the model audit Clause have been promoted by municipal authorities. These are the Middlesbrough, Salford, Wigan, Colne, Bridlington, Norwich and Dewsbury Corporation Bills. Petitions were lodged against all those Bills on behalf of the three Scottish societies, claiming that their names should be included in the audit Clause in each case. In every instance, a settlement has been come to with the promoters of the Bill under which the audit clause is to be amended to include the names of the Scottish societies and the petitions therefore have been withdrawn. I think that shows that anyhow the relationship between the two countries, as regards accountancy, are of the happiest character. Again, I would like to mention that there is nothing to prevent the appointment of members of the four societies named in the Bill to practise in a public authority audit in Scotland. Therefore what I am asking for to-day is mutual reciprocity in regard to accountancy between the two countries.

Perhaps it may interest the House to hear a little of the history of these three Scottish societies. The Edinburgh Society was incorporated in 1854, the Glasgow Society in 1855 and the Aberdeen Society in 1867. The Scottish societies, I understand, are the earliest—in point of the date of their constitution—of all incorporated societies of accountants. They were established—as I know the House will readily appreciate—not for the purpose of gain, but to protect the profession and to ensure that only qualified and thoroughly educated professional men should be members. It is provided by the rules and regulations of the societies that their members shall be styled "chartered accountants" and that this shall be indicated by the use of two letters "C.A." after the name of the member, but that no firm shall be permitted to designate themselves a firm of chartered accountants, unless all the partners in the firm are qualified chartered accountants.

The qualifications for membership of these Scottish societies are based on the very highest standard and are similar to those prescribed by the Institute of Chartered Accountants in England and Wales. I feel that what I have said will show the House that these societies are in every way qualified, suitable an worthy to be included in the Schedule of the Bill. The Bill is of great importance and if it is extended in the manner which I suggest it will obviate any future necessity for petitions, which are always expensive things. It will show for all time that the chartered accountants of the two countries *ipso facto* have the right to work in both countries. I have done my best to show how strong is the case in favour of extending this Schedule in the manner suggested, and I sit down with the conviction and hope that I shall have the sympathy and support of the House in my plea that, if this Bill is eventually passed, it should include the Scottish societies which I have named.

11.53 a.m.

Sir CHARLES BARRIE: I beg to second the Amendment.

The hon. and gallant Member for Montrose (Lieut.-Colonel Kerr) has so well covered the ground in moving this Amendment and presented the case so fully that it is not necessary for me to occupy much time. He has not dealt with the merits of the Bill itself and I do not propose to do so. What we object to in connection with the Bill is that it should be so definitely stated in the Schedule that only the four societies of chartered accountants mentioned in it, are to be allowed to deal with the matters with which the Bill is concerned. Three other societies of British chartered accountants—whether we call them Scottish or English does not much matter because the fact is that they are all British chartered accountants—are not included. After hearing the very able speech of the hon. Member who moved the Second Reading of this Bill I cannot think that that has been done on purpose. I believe that if greater thought had been given to the matter before this Schedule was composed the three societies which my hon. and gallant Friend the Member for Montrose has named would have been included in the Schedule.

There were two phrases in the speech of the hon. Member who introduced the Bill of which I took note. He said the Bill would provide for a better system of auditing; that it would help auditors in their labours and that there were 11,000 of these audits. The House will, I think, readily agree with me that if a better system of auditing is to be introduced, and help is required in the labours of 11,000 audits in this country, you can hardly do without the Scots. In every other industry in England the Scotsman has to be applied to for help. Therefore, in this notable work I can hardly think

[Sir C. Barrie.]

it was the intention, or shall I say the fear, of my hon. Friend that the Scots would invade chartered accountancy to such an extent as really to preclude the four associations which he has here named. There is no such disqualification in any other society, whatever it may be, with which Scotsmen are connected. For instance, the medical profession of Edinburgh, Glasgow, Aberdeen, and even Dundee are considered gentlemen of the highest standing. [An HON. MEMBER: "Why 'even' Dundee?"].—I say "even" with great respect, because it happens to be my native town. In all these towns the medical men have qualifications, and when they come to England they are not disqualified in the manner in which this Bill would seem to disqualify Scottish chartered accountants.

As I said earlier, the ground was so well covered in detail by my hon. Friend who moved the rejection of the Bill that I really have nothing further to say, other than to urge the House not to disqualify Scottish chartered accountants but to give them that opportunity, which I am sure the House will readily wish to give them, and which I believe it was not the intention of the hon. Member who introduced the Bill to withhold from them.

11.58 a.m.

MR. RHYS DAVIES: Speaking entirely on my own behalf, I am glad to support this Measure, and I trust it will ultimately be passed into law. I join with other hon. Members in congratulating the Mover of the Second Reading on the excellent way in which he put his case, and the Seconder as well. My speech will be very short, because I gather that many hon. Members are anxious and keen to get on to the second Measure on the Paper, the Gift Coupons Bill. They want that Bill to pass too, and I will do nothing at all to prevent those desires being crystallized to-day. I agree also with the remarks of the two hon. Members who moved the rejection of the Bill. I thought at first that their designs were very much deeper than they have proved to be, but I think they will have to square their accounts with the Duke of Montrose and with Mr. Cunninghame-Graham over what they have said to-day, because all those who believe in Scottish Home Rule not only desire to prevent our people going to work in Scotland; they now object to Scottish people coming here at all, except, of course, to rule us.

I support the Bill, as stated, and I can see no reason why the point expressed by the two last speakers should not be put into the Schedule in due course. We should not however be bothered at all with this problem from Scotland if the accountants of England and Scotland had done what the doctors had done —all joined together in one trade union organisation. The accountants had better take that step for their own sakes. It was very pleasant this morning to hear so many supporters of trade unionism among hon. Members, and I hope those expressions of opinion will spread out a little and down to the working people of this land. We shall then probably get them on our side.

I support this Bill because it is a local option Bill; it leaves each municipal corporation the right to decide the type of auditor it will appoint. I see in the House the hon. Member who was chairman of the committee on local expenditure, which made a recommendation on this very subject. That recommendation is contrary to the spirit of this Bill, because it is to the effect that all the accounts of all the municipalities should be audited by the district auditor. I hope I shall not be unfair to the hon. Member who was chairman of that committee when I say that they are anxious to secure the audit of municipal accounts by district auditors merely because the district auditor is concerned, not only as to the accuracy and clarity of the accounts, but very largely also as to the policy of the Government in power for the time being. Of course they had Poplar and other districts in mind when they made that proposal. The auditing of accounts ought to be free entirely from any question of policy. Hon. Members may be surprised to know that I am subject to a very keen annual audit as secretary of my small society, and, in fact, I am liable to be surcharged too. I ought to say at once that I have never been surcharged yet. There is a way, of course, or not being surcharged and that is to be honest, and every Welshman is honest.

It is not commonly known that the Civil Service, even the accountants and auditing departments, will not admit at all qualified chartered accountants into the Civil Service. That is not commonly known, and I have only found it out myself very recently. Consequently you could never get a district auditor who is also a qualified chartered accountant to do the work as recommended by that Committee. The adoption of the recommendation of the hon. Gentleman's committee would mean that the highest qualified chartered accountants in this country, who can never become district auditors would never be appointed by any municipality. If we are going to allow auditors to do this work, the field of selection ought to be open to all types of qualified accountants, and Parliament should not come down in favour of the district auditors alone.

I will explain how it all works out. A boy is articled to a chartered accountant at 16 years of age, and there is generally a premium paid of £100 or £200, with no salary. At 21 years of age he will be a fully qualified chartered accountant after he passes his final examinations. That young man however is not entitled to enter the Civil Service at all on account of his 21 years of age, and I think the Civil Service Commissioners are very selfish in that connection. What they do is to debar every chartered accountant, except, I believe, for inspectorships of Income Tax, from entering the Civil Service at all. Some day I hope to have something more to say on that point.

As I have said, this is a local option Bill. I happen to live in the city of Manchester, where we have elective auditors. I think they are elected once a year. I am proud of my connection with the city. The only criticism that I have to make against elective auditors is that all that I remember them doing was to abstract some paltry items from the accounts, sometimes of 2s. 6d., paid too much on a deputation to London. Then there was hullaballoo at the ratepayers' association meetings. Surely a great corporation handling millions of pounds per annum should not be subject to that tomfoolery. Its accounts ought to be audited and clarified and a balance sheet exhibited to the community providing the ratepayers with a proper picture of the finances. I have seen persons elected as auditors in some parts of the country without any qualifications whatever in accountancy. They may be very eminent politicians, but some of them I know could not keep the accounts of a toffee-shop. I am therefore opposed to the idea of the elective auditor. We ought to have the accounts of great corporations properly audited by qualified persons.

The public representative who is afraid of a competent and qualified auditor is not fit to be trusted with the control of a parish. There is nothing that destroys the confidence of the people in democratic government more than to believe that the accounts of a public authority are not properly kept and audited by independent and qualified persons. I am not very enamoured of the district auditor either, because he is in fact bound up with policy. When a Tory Government is in power the district auditor somehow develops the psychology that he must be a little more critical of a Labour than of a Tory local authority. When we get power as a Labour Government we do not adopt those tactics. That is, of course, plain to anybody. It is a very foolish practice to allow the politics of the Government of the day to perlocate into the audit of local accounts, and every hon. Member of whatever party will, I feel sure, agree with that. I am of opinion after keeping accounts in a small way myself for many years past, that the worries of mankind would be considerably reduced if accounts were properly kept and rendered.

I do not think that with the march of science and progress in industry the accountant has yet found his proper place in society. I am confident that the machinations of the Hatrys and Kreugers would not be possible if the controllers of industry and the directors of companies gave his proper place to the accountant and auditor. New Zealand and South Africa have laid down legal regulations, and nobody can practice accountancy in those two Dominions unless they are on the State register. Of course, on some occasions somebody must also audit the accounts of the auditor. That does not require any explanation. The science of accountancy and auditing ought, as I have stated, to have a better place in the sun, I trust that for the sake of clarity, cleanliness and honesty in public affairs, this Bill will become law very soon in order

[Mr. Davies.]
that the people of the municipalities shall continue their faith in democratic government.

12.10 p.m.

The PARLIAMENTARY SECRETARY to the MINISTRY of HEALTH (Mr. Shakespeare): I should like to congratulate the hon. Member who introduced this Bill on the extremely useful and lucid speech that he made, and the hon. Member for South West Hull (Mr. Law) on the able assistance which he rendered. It must come as a great surprise to most hon. Members that three systems of audit are in existence, unless one understands the history of the haphazard way in which it has developed. The Government approve of the principle of the Bill. We would certainly like it to have a Second Reading. My hon. Friend will know that there are four Fridays after Easter for Bills that have passed through Committee, and, therefore, if the House passes this Bill to-day and it goes through Committee, it stands a very good chance of becoming law. I need not go into the merits of the Bill again, except to say that the elective principle is obviously an anachronism. It has come to my knowledge that in the course of elections of auditors persons have been chosen with no qualification whatever. They include a sanitary inspector, a coal merchant's clerk, a suspended rate-collector and a platelayer, and, although these are very honourable professions, they are not professions necessarily involving a knowledge of accountancy. I know that it is the boast of English public life that leaders of industry and politics have some hobbies outside their business. We should look down on a bank manager who could not write Greek verse or a politician who had not a knowledge of Middle Whites and Blenheim Oranges, but it does not follow that a platelayer or a sanitary inspector with a flair for accountancy is as able as a professional or qualified accountant to audit the accounts of a corporation of a borough.

The need for this Bill is obviously shown in that out of 346 boroughs that would, apart from special legislation, enjoy or suffer by statute this principle of elective auditors, 45 have been to the trouble of obtaining a private Bill or Provisional Order in order to get district audit. The House will remember the Middlesex County Council Act of 1930, which gave powers to any boroughs in the county to change their system of audit. Since then four of those boroughs have accordingly adopted district audit. There are a score more boroughs who would like to change their audit and have asked the Ministry how they can do it, and when they are told that they must go through the expense of a private Bill they are discouraged from proceeding. My own constituency has at this moment a private Bill to get the system of elective auditors changed. With regard to the point raised by the hon. and gallant Gentleman the Member for the Royal and ancient burgh of Montrose (Lieut.-Colonel Kerr) who spoke with all the dash of a Highland chieftain, the lines of Scott ran through my head as he spoke——

> "He sought by many a winding train
> To lure his sullen guest to show
> Unasked, the news he longed to know."

I agree with the hon. and gallant Gentleman that there may be in this country several old established firms of chartered accountants whose language of accountancy may be English, even though their language of reminiscence—and abuse—may be Scottish. He has shown that there is a measure of reciprocity between the professional bodies in Scotland and those in England. I think the Committee might well consider whether they could not extend this provision. The hon. Member for Southampton (Sir C. Barrie), who intervened, assured the House that there would be no undue invasion of England by Scottish accountants. [An HON. MEMBER: "It has taken place already."] It has taken place already, but we English must remember that the invasion is not all on one side. I am told that there are more Englishmen living in Scotland than Scotsmen living in England.

Major MILNER: During the shooting season.

Mr. RHYS DAVIES: I think this point is very important. Will the hon. Gentleman tell the House what are the proportions?

Mr. SHAKESPEARE: I am afraid that I have introduced, unwittingly, a red herring in this Debate. I understand that in the shops of a city like Glasgow they always prefer an English shop assistant, because it is well known that, owing to the nice manners of the English, the Englishman is the only man who can ever sell anything to a Scotsman. Be that as it may, I think that the hon. Member has made out a very good case for consideration during the Committee stage of the Bill whether we should not extend the same facilities to Scottish accountants as are now extended to the British bodies. With that short blessing, I hope that the House will agree to the Second Reading of the Bill.

12.17 p.m.

Sir WILLIAM RAY: May I say, in the first place, that it is not my intention to object to the Second Reading of the Bill? I believe it is more or less on correct lines, and I believe that in Committee certain details could be added which would make the Bill a very useful Measure indeed. It is perfectly true that the report of the Committee on Local Expenditure, over which I had the honour to preside, recommended that in future the accounts of municipal corporations should be carried out by district auditors, and I would remind the hon. Member that the report was based on things as they are, and not on things as we hope they will be, or may be. As far as one can see, I dissent entirely from the view of the hon. Member for Westhoughton (Mr. Rhys Davies) that the accounts of local authorities should be dealt with only from the point of view of the correctness or otherwise of the figures provided. That may be true in regard to a voluntary association of shareholders in a company, but when it comes to the compulsory rating of individuals as ratepayers who may dissent from many of the acts and policies of the local authorities in whose areas they live, I maintain that a totally different conception of the duty of an accountant and auditor is to be found between the individual who is a voluntary shareholder in a company and the unfortunate ratepayer who often disagrees with the line of policy his local authority adopts.

In that recommendation of the Committee, from which there were four dissentients, it was felt that in the days to come, in reviewing the accounts of local authorities, advantage ought to be taken of the experience and the knowledge of the Ministry of Health in regard to many things upon which they could give advice to local authorities. A professional auditor or a Government auditor ought to be in a position not merely to examine accounts, but should have a knowledge of local government. A professional auditor appointed to this kind of work should have some knowledge of the intricacies of local government. He should be not merely a figure man, but a man who is able to say that such-and-such an authority, by means of standardisation or centralisation, and a hundred and one things, can to-day reduce its expenditure and improve its efficiency. I maintain that the auditor in question ought to be able to point out the advantages which have accrued in the conduct of affairs by other authorities, to the authorities with whose accounts he is dealing.

That was one of the reasons why the Committee on Local Expenditure advised that accountancy in future should be done by the district auditor, but if there is provision in the Bill for a course, say, in local government administration as a qualification for an auditor and accountant in the days to come, I believe that that would meet one of the great objections. But it is rather out-of-date to-day to say that, in gigantic organisations such as municipal corporations have become, the duties of the auditor only refer to the correctness or otherwise of the accounts. In the Committee stage I want provision to be made in regard to the power of surcharge, and Ministry of Health recommendations in regard to expenditure. I want something to be done in regard to the money that is uselessly and needlessly spent on conferences, not at Locarno, but which are dotted over pleasant places in England. I want attention to be devoted to the amount of money spent on printing, advertisements and so on, and, unless the accountant in question has power to deal somewhat with policy, I am afraid that we shall not get that examination of accounts which, to my mind, is essential in the interests of the ratepaying public.

One last word, again to the hon. Gentleman who would divorce policy altogether from the examination of accounts. I would remind the House that this House is as much interested in the examination of the accounts of local authorities as are the ratepayers themselves. After all, it is only a period of 10 years during which Government grants on local services have increased from £48,000,000 to

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£107,500,000. It appears to me that Members of this House are interested a little more in services which have grown over £60,000,000 in expenditure from Government grants in 10 years than in the mere correctness of figures. It is because of matters of that kind that I, and those who work in local government, feel that in the annual audits there ought to be a vastly different idea in the minds of those who are conducting the audit than that they are merely connected with one and one making two. I am not in the least objecting to the principle of this Bill. If we can devise some means of arming the professional auditor with powers in regard to some of these things which are essential, I am with the promotors of the Bill from beginning to end. I suggest that the examination for an accountant's certificate should include something which would require that the candidates should have some knowledge of the magnitude of local government operations.

12.25 p.m.

Major MILNER: I join with those who have referred to the considerable service which has been rendered by the hon. Member who moved the Bill and put his case in so lucid and amiable a way. There is one statement, however, with which few of us on this side will agree. As I understood him he drew a comparison between the efficiency of the National Government and the efficiency which would follow if his proposal were adopted. If the value of his measure is to be judged by that comparison, I am afraid it will be a conclusive argument with many of us against giving it a Second Reading. We have also had an interesting and informative speech from the hon. Gentleman who is chairman of the committee on local expenditure, and who occupies a high position in local government; but it seems to me that if he had his way he would take away a great many, if not all, the powers which local authorities at present possess. He desires to see officials in the person of the auditors running the local authorities, while those who were elected as members of those authorities have little or no power.

Sir W. RAY: Oh, no, far from it.

Major MILNER: The hon. Member certainly gave me the impression that he was in favour of something in the nature of a minor dictatorship of the local councils of this country; and if we got any suggestion from the Mover of the Bill that it was likely to be amended to that extent we on these benches would certainly take a much stronger view against it than we may take. The Mover of the Bill gave us an interesting résumé of the three classes of auditors who at present deal with the accounts of local authorities, but I must protest against what I regard as the unjust criticisms passed by him and the hon. Member for South West Hull (Mr. Law) upon elective auditors. The hon. Member for South West Hull thought the elective principle in regard to auditors was a vicious principle. The Mover of the Bill said the system of elective auditors had been in force since 1882, but I think I am right in saying that it has existed since the Municipal Corporations Act, 1835, and was re-enacted in more or less identical terms in the Municipal Corporations Act, 1882. The office is, therefore, one of some little antiquity, if 100 years can be regarded as antiquity, and I am a little surprised at the avidity with which hon. Members have suggested that an office which has presumably commended itself to local authorities and to Parliament for so long a time should be abolished without, if I may so say, very much consideration.

While undoubtedly there are instances in which local authorities have appointed the baker, the candlestick maker and so on as elective auditors, other authorities, to my knowledge, have taken a serious view of their responsibilities in this connection, and have appointed men well qualified to represent the ratepayers and to inquire into and prepare appropriate informative accounts. One ought not to criticise all elective auditors, or even the system of election, because some few local authorities may not have taken their responsibilities very seriously. I think it ought to be admitted that there are some very definite advantages in the system of elective auditorship. An elective auditor is usually a man with some local knowledge, and, in so far as he is the mayor's auditor, he must be a member of the municipal authority itself, and presumably he has a complete knowledge of the ramifications of the various undertakings of the authorities.

It is also an advantage that an individual who is not in a real sense in the pay of the local authorities or of the Government should perform these duties. I think it is true that under one of the Sanitary Acts or Sanitary Orders—not under the Municipal Corporations Act—payments are made to elective auditors. In one city I know the payments amount to £20 a year each. The criticism against the elective auditor system on the ground of expense is not, I think, very substantial. No doubt some expense is involved by the actual election itself but I understand that the poll is usually a small one and the outlay is not very great. Another advantage of the system of elective auditors is that it provides an opportunity for a change from year to year. The electors have an opportunity of changing the elective auditor and presumably will do so where he has not acted to their satisfaction. District auditors, like other Government officials, are changed from time to time, moving from area to area, but there is not the same opportunity of changing them as in the case of elective auditors—indeed, there is no opportunity for the electors to bring about a change. In ordinary affairs when a firm are appointed as auditors the appointment is regarded as something in the nature of an annuity. Professional accountants have considerable advantage over the lower branch of the legal profession. They can audit for one year either a municipal authority or a private concern, subject to good behaviour. That work is something in the nature of an annuity and may continue for almost all time. In that way, the system of elective auditors has an advantage over the district auditor system or the appointment of a professional accountant.

Something has been said by one of my hon. Friends with regard to the reports which may be issued by elective auditors from time to time. He seemed to attach little importance to them. It is perfectly within the competence and the province of an elective auditor to issue a report giving such details as he may think fit. That report, if published, has to be published either at his expense or the expense of someone else, and not at the expense of the local authority. I think that if the elective auditors are retained, the expense of publishing a proper report might very well be borne by the local authority. The reports are most informative, and they are usually couched in non-technical language. In cases that I have known, the reports have given a good deal of information. Most electors have not a very great or precise knowledge of the detailed operations of the large municipalities of this country, and those reports provide in small compass very useful information which can be read and appreciated by the electors of the municipality. That is another advantage.

It is extremely difficult, as we all know in our own dealings with public affairs, to appreciate fully the magnitude of the details of the operations in which each Government Department and the local authorities now enter. It is difficult to appreciate, even in one's own town or city, the enormous capital that is invested in the commercial undertakings of the city, and to have any general appreciation of the facts of the situation. In that connection, an elective auditor can serve an extremely useful purpose, which is not served quite to the same extent or in the same way by either the district auditor or the professional accountants. I should like to see this Bill altered so as to permit local authorities to retain elective auditors, in cases in which they require to do so.

Mr. PETHERICK: The Bill is already purely permissive.

Major MILNER: The hon. Member will probably correct me if I am wrong, but I understand that in Clause 1, Subsection (1), the accounts of the county borough treasurer shall, instead of being audited by borough auditors, be audited by district auditors.

Mr. PETHERICK: I am sorry to interrupt the hon. and gallant Member again, but he will see from the long title of the Bill that it is to

"enable municipal corporations to provide for the audit of their accounts."

That means that it does not force them to do so, but merely enables them to do so if they wish. Sub-section (1) of Clause 1 merely says

"in any borough in which the provisions of the Sub-section are adopted."

That clearly implies that they can do so if they choose.

Major MILNER: I am glad to have the hon. Member's assurance on that point. If he will forgive me saying so, I am

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very doubtful whether his interpretation is correct. Speaking from memory, I believe that Section 25 of the Municipal Corporations Act, 1882, which this Bill, in Clause 1, Sub-section (1, *b*), says shall cease to be in force, is the authority for the appointment of elective auditors. I may be wrong in that, but I am glad to have the hon. Member's assurance that he would be willing to have this Bill altered, if necessary, so that the principle of elective auditors shall be preserved in cases where a local authority prefers that system.

Mr. PETHERICK: I am sorry to interrupt again. I think that Section 25 of the Municipal Corporations Act, 1882, provides for the appointment of elective auditors. The hon. and gallant Member should realise that, if the borough opts to take district auditors, it is obvious that Section 25 of the Municipal Corporations Act, which provides for the appointment of elective auditors, should be repealed, but that does not in the least indicate that, if they wish to remain on the elective system, they are unable to do so.

Major MILNER: I am glad to have my hon. Friend's assurance on that point. Leeds has elective auditors and also professional accountants. I see no reason why that situation should not continue, and should not be adopted in other places which decide to have professional accountants in the place of district auditors. There is another advantage in regard to elective auditors that I have not mentioned. By their local knowledge, and by being, as they frequently are, representatives of ratepayers' or other associations, they have special local knowledge which enables them to inquire into specific matters. We all know cases, without mentioning names, that have been before the courts, in which discrepancies of one sort or another which have come before the courts have been discovered and brought to light by elective auditors. The small expense incurred makes the principle worth while, and it ought to be retained.

There is one argument which may appeal to those who look at the matter from the point of view of saving what money can properly and reasonably be saved in the proper place. It is that, at the present time, the district auditors audit a certain proportion of the accounts of local authorities. As we know, they audit the accounts of the London County Council, of rural district councils, and of district councils. They also audit all those accounts of municipal authorities where contributions are made by the State; the education accounts, the housing accounts, and so on. It is therefore fair to say that, to that extent, they are already associated with this work, and that it would not be very difficult or expensive to extend the scope of that work so as to include other accounts drawn up by local authorities.

The arguments in favour of the appointment of district auditors are fairly substantial. There is the argument that I have just mentioned, and there is also the argument that has been put to me—I think that this was mentioned by the hon. Member for Richmond (Sir W. Ray), who was chairman of the Local Expenditure Committee—that district auditors have a much wider and greater knowledge of the rules, regulations and laws by which local authorities ought to be guided. They have the opportunity of auditing the accounts of local authorities of all kinds, and of making full use of the knowledge which they gain in that work. That, of course, is not the case with all firms of professional accountants. Professional accountants, for the most part, audit the accounts of commercial firms, and while, no doubt, when the opportunity offers, they transmit the knowledge they obtain in that way to local authorities, it is not quite the same sort of knowledge, and not quite such necessary knowledge, if I may use the expression, as that obtained by district auditors.

One very strong objection which I feel to the wholesale adoption of auditing by district auditors is that they are very much over-burdened with work, and they are not in the least expeditious. I have known them, in the case of one local authority with which I was associated, not to come to audit the accounts of the authority until over a year after the expiry of the period in respect of which the accounts were drawn up; and frequently their audit extends over a long period, though I must admit that that has not always been their fault, but is possibly due to local authorities not having the papers, receipts and books all in order. Professional accountants are much more expeditious, and they are able to carry on a continuous audit throughout the year, which I think is very valuable. District auditors, in the nature of things, are not able to do that. They come along, perhaps a month, or it may be some months, after the completion of the accounting period, and take up the work at that stage, whereas, if there is a continuous audit, matters can be dealt with and cleared up while they are fresh in the minds of officials and members of the Council. With a continuous audit there is the advantage that any discrepancy or matter which ought to be brought to light is brought to light at once, before any very serious or considerable damage has been done.

An objection to the extension of the principle of having district auditors which has been urged upon me is that an extra staff would be required, that there would be an extension of bureaucratic control, as it is termed. Personally, I do not regard that as a very serious objection. If the audit were handed over to professional accountants, they would have to increase their staffs, and, if many authorities preferred to have district auditors, no doubt the district auditors' department of the Ministry of Health would also have to be increased. That seems to me to be rather an advantage than otherwise, in view of the considerable degree of unemployment.

There is, however, one very serious objection, which we on these benches have to the district auditor system. Hon. Members will recollect that the matter has more than once been before the Courts. By law, district auditors are bound to disallow payments which in their judgment ought not under the law to have been made, and they are able to surcharge the members of the council who are responsible. I would remind the House that there was considerable litigation on this subject some six or seven years ago in connection with the Poplar Borough Council. I must say frankly, on behalf of my party, that they take a very serious view of the law as defined in that case in regard to this matter of surcharge and disallowance. It will be remembered that the case was one in which the local authority, a duly elected local authority, decided to pay a certain wage—I think £4 a week—to certain individuals in their employ. The district auditor overrode the decision of the local authority, and the courts decided that it was his duty to surcharge and disallow such payments —that he was the judge as to the reasonableness or otherwise of the council's decision in the matter.

We submit that the giving of that power to district auditors, who are Government officials, enables them to override the duly elected representatives of the people, and we should take a very serious view of the matter if some modification were not made so that the local authorities were the real authorities in matters of that sort, and would not be overridden by Government officials and by administrative law in cases such as that to which I have referred. In regard to that matter, as I said at the beginning, we take an entirely different view from that of the hon. Member who was the Chairman of the Local Expenditure Committee. Unfortunately, during the period of the last Conservative Government, in 1927, an Act of Parliament was passed, the Audit (Local Authorities) Act, which inflicted, as we think, further penal provisions on the members of local authorities who were surcharged or disallowed; and that again, if auditing by district auditors is adopted by local authorities, is a matter which in our view should have attention during the Committee stage of this Bill.

With regard to the professional accountants, I, as a professional man, always think it is best to be perfectly frank about these matters, but I do not think anything has been said as to whether they had any part in any way in the instigation of this Bill. I think that the House ought to be fully informed on that point. I can quite understand that the societies whose names are included in the Schedule to the Bill may have expressed their approval of it, but, as a professional man, I do not think, in view of the importance of this matter, that we ought to agree to give a Second Reading to the Bill unless we are assured that those societies or associations have not themselves instigated or drafted or backed this Bill. I am quite sure that my hon. Friend who introduced the Bill, or some of his supporters, will be able to give us some assurance on that point. I am well aware that all of these four societies are societies of the highest standing, and that they all prescribe very high standards for their members; and I may say

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that I am entirely in sympathy with the hon. and gallant Member who moved the rejection of the Bill when he expresses the hope that authority will be taken to add any other societies of equally high standing which may properly be added, in the event of the Bill receiving a Second Reading. I may remark in passing that there is an association of accountants who are known as certified accountants, whom it may be right and proper to add to the Schedule, and whose name ought to be considered. Otherwise, there would be something in the nature of unfair discrimination in this matter.

In regard to professional accountants, there are undoubtedly certain disadvantages in their wholesale appointment. They are appointed and usually continue for a large number of years, and it will be admitted, without reflecting on them in any way, that they have not the knowledge which district auditors must of necessity have. They certainly have not the knowledge of the rules and regulations of local government law, unless they have specially applied themselves to the subject. I agree fully with what my hon. Friend on the Front Bench has said with regard to the necessity of meticulously auditing the accounts of all local authorities. I think I should either have a district auditor or I should appoint a particular firm of chartered or incorporated or other duly qualified accountants for a year at a time. I am aware that, in fact, local authorities do that, but in practice it means continuous appointment, subject to good behaviour, for a long period of years as a rule. It is desirable to have period appointments because there should be opportunities of changing, and it is not advisable in my view to treat an appointment of that sort as a matter of course, when perhaps they will not give the attention to business which they otherwise might do. It might perhaps be considered in Committee how far it might be laid down that professional accountants, if and when and where they are appointed, should have to make rather fuller reports than by law is at present the case. They merely give the ordinary accountant's report such as is given in the case of a public company. It may be that they are entitled to draw attention to other matters, but I think there ought to be something rather stronger and fuller than is included in the Schedule. It merely says that any auditor so appointed, that is, one of those belonging to any of the four associations mentioned.

> "Shall include in or answer to any certificate given by him such observations and recommendations (if any) as he thinks necessary or expedient."

He ought by law to have to do something rather more fully and in more detail in some particulars, and accounts ought certainly to be put forward in summary form, as some auditors do in practice at present, so that the ordinary man in the street can understand them. It would be an advantage, also, if professional auditors had to meet the finance committee. The business of finance committees in municipal bodies is conducted very much as a matter of routine. Their work is largely dominated by the individual who happens to be the chairman for the time being, who takes it upon himself, for the most part, to settle a great many matters with the City Treasurer and recommend them to the finance committee. In some places—I believe Manchester is one—the chairman of the finance committee does not necessarily change with the political complexion of the party having power at the time. At Manchester some years ago the chairman of the finance committee had occupied that position, notwithstanding the comings and goings of various polital parties, for some years. If the members of the finance committee as a whole were bound by law to meet the professional accountant and have an opportunity of going in some detail into the accounts, it would be an advantage. I think they have the power to do that to-day, but there ought to be some obligation of that sort. The district auditor's duty is to render such a report as I have indicated, but, unfortunately, he does not render it in any great detail. It is merely submitted to the clerk of the council, whose duty it is to bring it before the council, but it is not generally communicated to the electors.

Mr. GURNEY BRAITHWAITE: Does not the hon. and gallant Gentleman think it an advantage in many cases that the chairman of the finance committee should not change with the political complexion of the council. In many cases there are men of experience who have given many years of service to local bodies.

Major MILNER: I cannot agree with the hon. Gentleman. I think it is essential that the member of the council who has charge of finance should be the nominee of the party having power at the time. I do not think there is any disadvantage in that, because, as a general rule, the outgoing chairman remains on the committee, and they have the advantage of his knowledge and experience. I think it is right and proper that those who have the power should have the responsibility in conducting the affairs of the finance committee as well as other committees.

Something has been said in regard to the recommendations of the Departmental Committee on Local Expenditure. It ought to be made clear that, while there was a general recommendation, as I understand it, that local authorities should adopt district auditors and do away with elective auditors, that recommendation was dissented from by all four representatives of municipal authorities, who expressed the opinion that the elimination of professional auditors was not in the interest of local government nor of economy and efficiency. They recommended that the municipal accounts, other than those which now come under the jurisdiction of the district auditors, should be audited by chartered or incorporated accountants. The Bill gives an option to local authorities to make a choice between district auditors and professional accountants. No hard and fast line is drawn and regard is paid, quite properly, to the necessity of deferring to the decision of local authorities in deciding which of those two alternatives is to be adopted.

There are one or two things that I should like to know from those responsible for the Bill. I understand from the mover that local authorities would still, under the Bill, have the opportunity of retaining the elective audit principle. I should like to know whether the terms of the Bill have, in fact, been agreed to by all the professional societies whose names are included in the Schedule, and, if so, whether the promoters of the Bill would agree to other societies, such as the Scottish societies and the certified accountants in England, being considered with a view to their being added to the Schedule?

The question of double audit ought also to be considered. There are district auditors at present who do a large proportion of the work of municipal authorities, and if you have that work done over again by professional accountants you will have considerable expense and double work imposed upon the officials of the council and all concerned. That is something which we should all wish to avoid. The Bill is one of considerable importance and of great public interest. The work of local authorities is something of which we are all very proud, and I only wish that the National Government exhibited half the capacity and knowledge in conducting their affairs which the local authorities of this country undoubtedly show. As far as my party are concerned, if we are satisfied on one or two points which I have raised, I do not think that we shall take very much exception to the Bill going forward to Committee, but there are certainly a number of details upon which we should have to be satisfied before we could fully associate ourselves with it.

1.8 p.m.

Major HILLS: The hon. and gallant Member for South East Leeds (Major Milner) has subjected the Bill, of which he approves in the main, to a very long, close, detailed and critical examination. As he was speaking the reflection passed through my mind what a powerful opponent the hon. and gallant Gentleman would be if he happened to oppose a Bill. I am not sure, seeing the ability and skill with which he formulated his speech, if his opposition was really directed against this Bill, when I glance at the Order Paper and see lower down a Measure which excites strong disapproval. I think that when we come to that Measure I shall feel very uncertain and doubtful about it passing into law.

I have only two points to make. The first is about elective auditors. I would respectfully point out to the hon. and gallant Gentleman that the system of elective auditors is obsolete. It is nearly 100 years old. Elective auditors do not do anything. All the work has already been done and no big corporation could possibly depend upon elective auditors. Though they exist nominally in the case of some of the larger corporations, the work is done either by district or by professional auditors. Does he not think

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that they are rather a figurehead, which fact rather deflects the criticisms which might otherwise be applied, and that the auditors think "Oh, well, we must be all right so long as we have two sets of auditors"—the elective auditor and also the professional one. Does not the hon. and gallant Gentleman think that criticism is rather stifled by that fact?

The only other point with which I wish to deal is the report of the Departmental Committee on Local Expenditure and their recommendation that all the audits should be by district auditors. I do not agree with the hon. Gentleman the Member for Westhoughton (Mr. Rhys Davies). He has been extremely unjust to the district auditor. I do not think that the district auditor is a sort of chameleon who changes his colour with the party in power at Westminster. I do not think that he could do so. He carries out his duties as laid down by Statute. On the other hand, I do not agree with my hon. Friend the Member for Richmond (Sir W. Ray). It is very difficult to draw the line between the control of the operations of a big local authority and the audit of the accounts of that authority. I do not want them to be mixed up. The auditor is not concerned with policy, but he may be concerned with the propriety of expenditure and with irregularity. If he sees that charges are made at more than the proper or standard price he ought to have the power to call attention to the fact, but we must not think that the auditor can ever do, or ought to do, what really is the proper work of the finance committee of the borough council. It is not his business to look into the financial operations of the borough council, except to the extent of the propriety of the expenditure in accordance with the orders of the borough council, and, consequently, to see that there is no irregularity in the price paid or in any other matter in which money is spent.

I welcome the statement by my hon. Friend the Member for Richmond that he will not oppose the Bill because it gives the borough a choice between a district auditor and a professional auditor. The fact that 51 boroughs have chosen the professional auditor and not the district auditor—and many of those boroughs are important ones, such as Newcastle, Bolton, Bradford, Hartlepools, Bristol, Stoke-on-Trent, Portsmouth and Liverpool—shows the extent to which the boroughs choose the professional auditor, and you must give them the choice. I agree entirely with a great deal of what my hon. and gallant Friend has said and with a great deal of his powerful analysis of the Bill, and especially in the praise which he accorded to the work of our great local authorities. It is most admirable work. I do not in the least agree with the attacks which are made upon them. They certainly ought to have the supervision or the oversight of the Minister of Health in so far as it is given by Statute, but they are to be trusted, and in nearly every case the work of the larger local authorities is carried out admirably.

1.15 p.m.

Mr. MAITLAND: I should like to join my right hon. and gallant Friend the Member for Ripon (Major Hills) in his references to the hon. and gallant Member for South East Leeds (Major Milner). It is very clear that the hon. and gallant Member for South East Leeds had very strong views on this question, but it was rather unfortunate that the strength of his conviction was so great that it was not until the last sentence of his remarks that I appreciated that he was really supporting the Measure. One of his observations was to the effect that we are considering this Measure at rather short notice and that we do not, perhaps, appreciate the significance of the changes involved in the passage of the Bill. May I remind the House that it was just 30 years ago, in 1903, that a Joint Select Committee of both Houses gave very detailed consideration to this question of the audit of local government accounts, and came to the conclusion in that year that all the accounts of local authorities should be audited by members of the Institute of Chartered Accountants or of the Society of Incorporated Accountants and Auditors.

May I at once inform the House, in view of a question asked by the hon. and gallant Member, that I am a member of one of the bodies named in the Schedule, but as a non-practising accountant I shall derive none of the benefits which may accrue to the members of that society in the event of the Bill going through. That does not, however, prevent me, as an accountant and as one who has had some experience of local government, from making a few observations which may perhaps be helpful to the House. From some observations that have been made it seemed to me that there was misapprehension as to the functions of accountants with regard to the audit of municipal accounts. Reference was made to the question of the arithmetical accuracy of the figures which the accountants are auditing, and there seemed to be in some quarters the impression that the beginning and end of an audit is in fortifying the arithmetical accuracy of the figures. If anyone is going to misappropriate funds which do not belong to him he does not immediately write on the page of his passbook: "I am sorry that I have used for my own purposes monies which do not belong to me, and the following is an account of what has happened."

In point of fact, the difficulty in regard to accountants are not so much in the verification of the arithmetical accuracy of the figures which they are examining, but rather in satisfying themselves that the accounts do, in fact, give a true record of the transactions which have taken place. So in regard to the auditing of municipal corporation accounts we must take a much wider view of the responsibilities than that which have been submitted in the Debate. As I understand it, it would seem to me that the auditors of municipal accounts have at least three or four points in view, there may be more, which are all important. It is important that emphasis should be laid, as it has been this morning, on the relationship between the local authority and the Ministry of Health. That relationship is defined often enough by Statute. The district auditor in his examination of the accounts is guided by Statute as to the relationship between the local authority and the Ministry and has no dfficulty whatever in deciding during the examination of the accounts whether or not that relationship has been properly, efficiently, effectively and reasonably carried out.

I was not very much impressed by the hon. Member's suggestion that a surcharge is a terrifying experience. That is rather an over-rated assertion, in this sense, that if the district auditor does surcharge any members of the council for an improper transaction they have the right of appeal to the Minister of Health. Another important function is, that when you are examining the accounts of an authority you have to take into account the relationship between the council and its employés, the various undertakings in which the council is engaged and also the propriety, in general terms, of the undertakings upon which the council decides to embark. Therefore, the real auditing of municipal accounts has a much wider application and a much wider responsibility than the mere checking of figures. There is also the influence which comes from the fact that you have an independent person looking into the accounts of the authority, having in mind all the implications which are involved in such examination.

My hon. Friend is to be congratulated on introducing the Bill, and I am glad that in such happy terms it has received the blessing of the Ministry of Health. I have the authority of my hon. Friend for saying, in answer to a question put by the hon. and gallant Member, that the institutions named in the Bill are in no sense responsible for its introduction. If I am asked whether or not they are in favour of it I would say yes, but my hon. Friend has asked me to say that he had no communication with any of them and did not hear from them until a day or so ago.

Mr. PETHERICK: Yesterday afternoon.

Mr. MAITLAND: With regard to the question of district auditors and professional auditors, the hon. Member for Richmond (Sir W. Ray) referred to the recommendation of his Departmental Committee and stated quite clearly that when that recommendation was made there were four dissentients representatives of the borough councils, who expressed the view that they would prefer to have professional rather than district auditors. I think the hon. Member's contention that in these days, because of increased expenditure in local administration, you must have to examine your accounts someone of experience from the Ministry of Health, the answer is that, because of the very fact that local expenditure has increased so much and that the activities have been multiplied so many times, it is important to get the most experienced people to audit the accounts. There is no question that there

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should be brought to bear, for the benefit of the authorities, advice and experience which comes from practising members of the accountant's profession, not so much the departmental view but a view which, because of their experience, is of great value and would conduce to the general usefulness of the council whose accounts they are auditing.

The hon. Member is quite right in giving local authorities an option as to whether they will have district or professional auditors. My experience has been similar to that of the hon. Member in regard to local authorities. The staff at the Ministry in connection with these duties is about 150, and it is the inevitable result that they are always in arrear in their auditing of accounts. It is much more difficult to detect irregularities 12 months after they have occurred than if the accounts are examined at the time when they are being committed. There is this advantage that professional auditors make a more or less continuous examination of the books, and that acts as a deterrent. There is a good deal to be said for professional auditors who come along at certain times and examine the accounts when the transactions are taking place rather than six or 12 months afterwards, which is the case in the audit of a district auditor. I am glad the Bill has been introduced, and I hope it will find its way on to the Statute Book.

1.27 p.m.

Colonel BROADBENT: Having had the opportunity of seeing something of the system of elective auditors I make no apology for taking up a few minutes of the valuable time of the House, and I shall probably be much quicker if I give an outline of the system in practice in my own town. It is the largest non-county borough in the whole of Lancashire and the third largest non-county borough in the whole of England. The boundaries of the Parliamentary constituency are the same as those for the elective auditors. I oppose the system of elective auditors on the grounds of expense and, therefore, I am thoroughly in favour of the Bill. I make a distinction in the case of the mayor's auditors and the elective auditors, because the mayor just appoints an auditor and he receives no payment for his services. The report he sends in is generally worth the amount he receives. But the elective auditors are different. Generally on the 1st March two elective auditors have to be appointed. They need not have any ability for the kind of work they have to do. They are generally nominated by the political parties, and although in a General Election we have 40 polling stations in my constituency in an election for the elective auditors there is only one. People walk a considerable distance and when they arrive at the poll, and there are three nominations, they can only vote for one although two have to be elected. The expense of the elective auditors election is so great that, taking all the municipal corporations of England, this Bill if it is passed, will effect a very great saving. On Wednesday of last week an elective auditors' election took place in my constituency, and out of 27,500 electors just over 1,000 took the trouble of going to the poll. The cost of that election was over 2s. per vote, and in these times we cannot afford to spend 2s. per vote on an appointment to an office which is out of date. We have in the town professional auditors, we have had the same firm since the year 1875, who are paid hundreds of pounds a year for conducting the audit. Is it likely that two political agents who are paid six guineas per annum can make an audit of the books which will be of any value? Some hon. Members may think that I have overdrawn the case, but take the last election which took place in the City of Sheffield for elective auditors in 1925. On that occasion the number of local government electors on the register was 208,111, and out of that number only 1,248 voted, or less than one per cent. That shows what interest people take in elective auditors' elections. The following year the Sheffield Corporation promoted a Bill and did away with the elective auditors' election, thereby saving a large amount of money. I understand that the votes recorded in 1925 cost over 5s. each. That is ample proof that this method of appointing elective auditors is out of date; they are of no practical value and I trust that the Bill will be passed.

1.33 p.m.

Mr. CHARLES WILLIAMS: In the first place, I should like to congratulate my hon. Friend the Member for Penryn (Mr. Petherick) on having brought in the Bill. I have known him for a long while, and I should like to say that I have seldom heard on a Friday afternoon a private Member's Bill brought in with greater skill and a greater desire to smooth away those rough people who may desire to oppose the Bill either on the Second Reading or upstairs. As one who has a considerable interest in the part of the country from which he comes I congratulate him on having shown a skill which is in complete contrast to the hon. Member for the Eastern part of the county, whose inefficiency is at times almost abnormal. It is very rare that a Bill is brought forward on a Friday afternoon which could meet with my approval. I had hoped during Lent to escape from having to speak on a private Member's Bill on a Friday afternoon, but I have been led away from that good resolution, and as far as this Bill is concerned I hope it will be passed.

There are three main reasons why the average private Member's Bill is bad, but those reasons are completely absent in regard to this Measure. The first fault from which nearly every private Member's Bill suffers is a desire to cut down the liberties of the subject. The budding legislator who comes out with a private Member's Bill thinks that he must stop some poor harmless fellow doing this, that or the other. It may be buying something or selling something. If the Secretary for Mines wishes to interrupt me I am quite willing to give way.

The SECRETARY for MINES (Mr. Ernest Brown): I have not the slightest desire to speak.

Mr. WILLIAMS: The hon. Gentleman says he has not the slightest desire. All I can say is that I congratulate him on something fresh. When one finds a private Member's Bill which does not interfere in any way with the liberty of the subject, one can support it. A second point about private Member's Bills very often is that they place some extra burden on the taxpayer or the ratepayer. This Bill, however, is purely permissive; it does not compel any local authority to change from the present system. In these days, with local authorities handling vaster and vaster sums of money, it is clearly impossible that for any great length of time they can escape having the very best of audit systems. My hon. Friend who spoke last gave several good illustrations of the waste of money and time and energy in local authority areas. He spoke in favour of the Bill. On that second point we can support the Bill as containing a principle which in the main is sound. There is a third sign to be found in almost all private Member's Bills. They not only put an additional charge on local authorities, but require some additional work to be done by the local authorities. This Bill does not add to the work of the local authority. There is another point.

Captain CROOKSHANK: Before my hon. Friend leaves that point, surely it would be true to say that there is a fourth requirement in a private Member's Bill, and that is that they should afford him an opportunity to speak.

Mr. WILLIAMS: And there is a fifth point, and it is that they should give my hon. and gallant Friend an opportunity to interrupt, and a sixth that he should make a speech explaining why he intended never to make another speech, and in that speech to charm every Member of the House. I have been interested to notice to-day that two Scottish Members have put in a petition for Scottish accountants. They have disappeared from the House. I suppose that, like other people, they are now eating large and substantial lunches. They pointed out that, in the Schedule there were mentioned four excellent accountants' societies, which were to be, as it were, on the panel of this Bill. They made an appeal on behalf of the Scottish societies. I am sure that the Scottish accountants are very efficient and quite capable of doing their jobs. Although the hon. Members may have a very good case from their point of view, they did not produce between them a single instance of a Scottish local authority employing English accountants from London, and until they have made out such a case and put it very strongly I hope there will be very strong resistance to their proposal to allow the Scotsmen to come in under this Bill. Scotsmen already have a considerably larger share than they ought to have in these matters.

Earlier to-day I was interested to see a Front Bench representative of the Socialist party and a representative on the Government Front Bench make strong appeals for the abolition of the

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elective system. I know that Front Benchers are not very democratic as a whole. I was delighted to hear the hon. and gallant Member for South-East Leeds (Major Milner) stand up for real democracy. Naturally his own leaders are dull, dismal and absolutely prehistoric. But he at any rate stood up for the principle of election. The only real case to be made out for the Bill is its elective principle. I have been looking up various Acts which are to be repealed by the Bill. We go back to 1882, and to an Act of the first year of Queen Victoria. We are undoubtedly telling the local authorities that we as Members of the House of Commons do not wish them to move too rapidly. We are doing away with a system which has been excellent in the past, which may have been excellent in the early days of Queen Victoria. Local authorities should realise that the Bill gives them a cheap and easy way of getting the best form of auditing.

I hope that the Bill will meet with success, and that its promoters will not be led up by-paths by Scottish or other people, but will keep the Bill in the form in which it is now, with the four societies of accountants that are mentioned. I hope the Bill will have an easy and pleasant passage into law, and I congratulate my hon. Friend who moved the Second Reading.

1.45 p.m.

Mr. McENTEE: I was interested in the reference of the hon. Member for Torquay (Mr. C. Williams) to the speech of my hon. Friend the Member for Westhoughton (Mr. Rhys Davies). I do not often agree with the hon. Member for Torquay, but I rather agree with his reference to my hon. Friend's speech. My hon. Friend claimed that this Bill was in every way a good Bill and that it gave power to local authorities to choose the type of accountant whom they wished to appoint. It does no such thing, or at all events, it only does so in a very limited sense. What it really does is to give a monopoly to certain organisations of accountants which, in my view, is harmful and dangerous. I do not know why any particular organisations of accountants should be selected. I do not see why, if public accounts are to be audited in the way suggested in the Bill rather than by elected auditors these particular organisations should have a monopoly of the duty and privilege of auditing public accounts. I was also interested to note the very narrow nationalist point of view which has been expressed in this Debate by some who at other times talk very widely and largely about the unity of the Empire. The hon. Member for Torquay suggested that accountants with Scottish qualifications ought not to come under the Bill. I thought the hon. Member favoured a very wide Empire view. Would he say that a man should be excluded, because he had a qualification—which might be equally good from a professional point of view with an English qualification—from Ulster, let us say? The other part of Ireland has not been mentioned yet in this Debate.

Mr. C. WILLIAMS: We have not yet been told, but I do not think the Bill applies to Scotland. They have their own special audit system, and I gather that it is a very close system. My point is that in Scotland they seldom, if ever, have English auditors, but I am quite willing, if you take away the sort of prohibition which exists in Scotland against English auditors, to make it open in both cases. I do not think the point as to Northern Ireland arises in connection with this Bill.

Mr. McENTEE: I do not think the hon. Member has appreciated my point. If in other similar matters, we consider the whole Empire, why should we not do so in this case? When I was a member of a local education authority we had a case of a teacher from Canada, whose qualifications were as good as those of any of the other teachers in our service, but because his qualifications were Canadian, he was not permitted by the Board of Education to get the same opportunities and facilities as those who had British qualifications. Being an internationalist, and, at the same time, believing that there should be real Empire unity instead of mere talk about it, I believe that a position such as this should be open to any person who has qualified within the Empire. Why should a local authority be compelled to appoint a member of one of these organisations if they desire to appoint another auditor whose qualifications are equally good, although taken out, let us say, in a University in Northern Ireland, or Canada, or Australia? Why should we support that the doctrine of narrow nationalism and confine these appointments to persons qualified within our own country?

That appears to be a fault in the Bill. Personally I would not vote against the Second Reading but I should like to see the scope of the schedule widened when we come to deal with it in Committee. The hon. Member for Westhoughton also said that qualified chartered accountants were not able to enter the Civil Service and he rather inferred that the accountants in the Civil Service were not as efficient as those belonging to these four organisations. As a member of a local authority and chairman of a finance committee I have had a little experience in connection with the auditing of public accounts, and I am familiar with the type of people who do these audits. I have also a little knowledge gained by experience of the auditors in the Civil Service who qualify by their service in the Civil Service and not by the examination to which these organisations subject their members. I say without hesitation that the Civil Service auditor is quite as qualified as any member of these organisations. I am surprised at the attitude taken by the hon. Member for Westhoughton. He tells us that nobody could become a qualified accountant without paying a fee of £100 or £200. I do not think that the hon. Member ought to support the view that only those able to afford heavy fees should be allowed to enter this profession. All these professions ought to be open to people of poor family whether they are able to pay heavy fees or not and the hon. Member for Westhoughton appears to be lending his support to the continuance of a system which places a wall round this profession and makes entry to it difficult by imposing heavy fees.

It has been said that this is a local option Bill. It is a limited local option perhaps, but only very limited. There are many qualified auditors in organisations other than the four mentioned in the Schedule. The local option is only local option to the extent that permits local authorities to select their officers from one of the four organisations which are now, through this Bill, endeavouring to secure a monopoly of a very lucrative part of their professional work. I hope the associations that represent the local authorities will, if the Bill goes before a Committee, make a strong protest against this attempt to limit their powers in the selection of the people who shall audit their accounts. I want to see accounts properly audited, but I hold the view that the people who happen to be members of these four organisations are not the only people who can audit accounts properly.

I have had a little experience of elective auditors, and I agree entirely with some of the things that have been said to-day against them. There have been, no doubt, scores of cases where the person elected through the system of elective auditors has, as the Parliamentary Secretary said, been entirely unqualified for the job. On the other hand, there have been very many eminent people, fully qualified, doing the work through that system. In my own borough, for instance, we had two fully qualified accountants, one a chartered accountant and the other a member of one of the associations mentioned in the Schedule, who were elected through the system of elective auditors, and they did the work very well. We had, in addition, a mayor's auditor, a member of the council, who was able to help very materially in regard to policy, because he was perfectly familiar with the policy of the council. I think the question of policy ought to be considered in connection with auditing, and in that connection I believe that the elective auditors have done good work in many towns and that it would be a pity entirely to abolish them.

There is one matter in the Bill that has rather puzzled me, and I should like to be enlightened upon it. We are told that a council may, if it so desires, do away with the system of elective auditors and institute the new system suggested in the Bill; and if that is so, the Act of Parliament under which the present elective auditors system is conducted will be repealed by the Bill, but I do not know if it would be permanently repealed. Take the case of, say, the Manchester Corporation deciding, by the requisite two-thirds majority, as suggested in this Bill, to abolish elective auditors and to go in for the system under the Bill. They appoint a district auditor, or one of the firms of chartered accountants living in their area, who does the audit for them for some years. Suppose the policy of that council changes, and after an experience of four

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or five years of the new system they come to the conclusion that the old system of elective auditors, under which they have carried on their work for 30, or 40, or it may be 100 years, was in fact the better system. How then are they to get back to the old system again? Can they get back to it by just passing a resolution to do so?

I am not at all clear on the matter, not being a lawyer, and probably if I were a lawyer I should be less clear still. At any rate, I have tried to understand what the position is, and it appears to me that if they once adopt this Measure there is no going back.

Mr. PETHERICK: As a matter of fact, that is so. If a borough council decides to employ a special or a district auditor, it cannot go back.

Mr. McENTEE: I am glad the hon. Member has put me right on that point, but, after all, that is only his opinion. In his opinion it is permanent, but if you asked the opinion of the lawyers in the House, you would probably get the same differences between them on this matter as on most other matters. However, I will assume that the hon. Member is right, and the wording of the Bill indicates to me that that is so. Elective auditors have been employed for about 100 years, or at any rate for all my working lifetime, and I wonder whether many of the local authorities would not like to experiment with the new system and see whether, after four or five years' working, it was an improvement on the old system. If they desired to make that experiment and adopted the new system, and then afterwards desired to go back to the old system, presumably they could not do it. But there must be some way, surely, by which they could change back; and the only way of doing it that I can see would be by the introduction of a private Bill into this House. That is a very expensive matter, and I should not like to impose on local authorities the expense of such a change-over. It occurs to me that the matter might be made permissive and that the Clause in the Bill which repeals the relevant portion of the Public Health Act might perhaps, with advantage, be taken out or altered in some way.

The only other matter to which I wish to refer is the question raised by the hon. Member for Richmond (Sir W. Ray), who apparently wants to give to auditors a power that I, personally, should be very sorry to see them possess. He rather demurred when the hon. and gallant Member for South East Leeds (Major Milner) suggested that the meaning of his words was the setting up of a sort of dictatorship. I listened to the speech of the hon. Member for Richmond very carefully, and I came to the conclusion that he wants power to set up a number of miniature Mussolinis, who could impose their will upon local authorities by a suggestion to the Minister of Health. I must say, frankly, that if these powers were conferred on auditors, and these suggestions were made to the present Minister of Health, or to one or two other Ministers of Health of whom we have had experience recently, I think they would be rather glad of the excuse of seriously limiting the powers of local authorities and hampering them in their work.

I do not desire to vote against the Bill, but I should like to see it go to Committee and get the full consideration which it needs. I think it can be improved in Committee, and I think there is very much room for improvement, but it has certain merits that ought to be considered in Committee, and perhaps, after it came back from the Committee, I might find that I desired to support it. At any rate, I would like it to get full consideration in Committee.

2.5 p.m.

Captain CROOKSHANK: There must be one Member here who is pleased with the way in which the Debate is going on; he is the hon. and gallant Member for Wallasey (Lieut.-Colonel Moore-Brabazon), because all the Members who have spoken seem to have taken his advice to heart and to have been very brief. If he will, therefore, allow me about five minutes, I will do my best to follow the example which the hon. and gallant Gentleman always sets us. This is almost an event in my life, because I find myself supporting a private Member's Measure. That does not happen very often, but this is a rather unique Measure in that there is only one name on the back of it, namely, that of the hon. Gentleman who so ably introduced it. It is because I can trust anything that he does that I find it fairly easy to support this Bill. There are, however, some difficulties that I can see, and I agree with the hon. Member for West Walthamstow (Mr. McEntee) that we should send the Measure to a Committee for further investigation. The hon. Gentleman is in this great difficulty as Socialists always are in regard to Measures of this kind, that on the one hand he sees that Civil Service auditors are possible, but, on the other hand, he cannot see anything derogatory in choosing auditors from a panel of trade unionists. Therefore, he says, send it up to a Committee—which, we know from previous experience, is the perpetual solution of Socialists for all problems.

I am glad that the hon. Member has not surrendered his political views or prejudices in giving the modified support that he has given. While he was speaking, there appeared from the remark by the hon. Gentleman who interrupted him that there is a blot on the Measure in as much as once you decide to change the system of audit it has to be permanent. I do not think that that is right, because you might want to change again, and it would be hard if we had to have another Measure introduced to make that possible. Hon. Members must have had experience of local authorities which have changed from the direct system of rating to the other, and backwards and forwards. Practically all our affairs in this House are based on change, and it seems very hard that in a changeable world the one thing that should be immutable is the system on which municipal corporations should have their accounts audited. It seems strange that that should remain the one fundamental question in this country which can never be altered again. I hope, therefore, that the hon. Gentleman who introduced the Bill will reconsider the rigid attitude that he has adopted, and make some provision to enable corporations to have an alteration if they demand it.

The hon. Member for West Walthamstow dilated on weaknesses of the arguments about local option, and there I entirely agree with him. If there is one thing which causes false arguments, it is when anybody introduces the two words "local option," because, according to the mind of the speaker, they seem to cover a great multitude of different things. No one could possibly think that there was any connection between local option for the drink trade and the kind of local option in the modified choice which this Bill gives to municipal corporations. Therefore, I hope that whatever happens in Committee, we have heard the last of that argument. I am sorry that the hon. and gallant Member for Ashton-under-Lyne (Colonel Broadbent) is not here, because I want to give him the opportunity of explaining away something which he inadvertently said. The hon. and gallant Member, who made such an informative speech, told us that unpaid auditors were of no value. I am sure that he would be the first to take back any impression created by that remark, because we know what an enormous amount of work is done on an unpaid basis in local authorities in this country particularly. Therefore, I do not think that he should let it go out that anybody, even in a casual word in a short speech, really believes that unpaid work in this country is of no value.

The fundamental object in this Bill is to enable municipal corporations to provide for the audit of their accounts. It seems to me that, on the whole, the new system which is presented to the House to-day will make it possible for those accounts to be better audited. I cannot go into the technical arguments that have been put up because I am not an auditor, and I do not understand all the methods by which these obstruse calculations are carried out, but when we see and hear—I hope hon. Gentlemen opposite will not object to my referring to this—the kind of thing which Socialist ex-Ministers have been telling the country will happen when we have a Socialist Administration, both national and municipal, we had better take time by the forelock and take care that we get the best possible auditors for the accounts of public bodies. It will strengthen the argument in the development of this point if I may be allowed to quote the sort of thing which I understand that ex-Ministers want to see happen. Then I am certain that everybody will agree with me in saying that we must, at all costs, have the best possible auditors.

An ex-Minister told my constituents not very long ago what things he would like to see done under a Labour Administration. He said that they could not

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happen under the present Administration. They could not happen under anybody else's really, but this is what he hoped to see under a Labour Administration, and, if anything of this kind should take place, we shall have to have very good auditors. He wants to secure three good meals a day for everybody; a healthy house for each family and no two families in one house; sanitary conveniences; a child in every home as far as possible; and a good many other things such as a newspaper every day, a new book a month, and a good word for all every morning. There, I suppose, the auditor would function. Then he wants work schemes in every municipal borough and county; a hundred thousand old folks' homes; a load of coal in every cellar every six months; and no more family quarrels.

Mr. T. WILLIAMS: Is not the hon. and gallant Gentleman reading from the rules of the Rotary Club?

Captain CROOKSHANK: The hon. Gentleman is mistaken. The ex-Minister is one of the hon. Member's late colleagues, who is no longer here. [An HON. MEMBER: "What is his name?"] He is Sir Ben Turner. Hon. Gentlemen will recognise that in any system of Government which is going to ensure all these extraordinary and delectable results at public expense, the accounts will require very careful auditing on the part of municipal and every other kind of corporation. If, as I understand, the whole purpose of this Measure is to make certain that we have the best possible auditors, whether civil servants or trade union accountants, and if the House can be assured that the system will produce the best possible accountants, I think that we might very well give the Bill a Second Reading. I should not have thought it was necessary to divide even about that, but also I would add the proviso that it should not be considered by anyone, least of all the hon. Gentleman, to be the law of the Medes and the Persians that once this system is adopted there should be no looking back. Sometimes it is necessary to look back. Sometimes this House does legislate in a hurry, as to-day perhaps, on matters of importance, and it is not always practicable to have amending bills brought in. Therefore, in the Committee stage I hope there will be an equally full discussion as we have had this morning on the point as to what should be done should the system not be found to work adequately. But for the present, for my part, although I was not asked to put my name on the back of the Bill—nor, apparently, was anyone else—I should like to commend it to the House.

2.16 p.m.

Mr. HERBERT WILLIAMS: The hon. and gallant Member for Gainsborough (Captain Crookshank) and the hon. Member for West Walthamstow (Mr. McEntee) drew attention to the rigidity of the Bill. I hope that the promoter, who made such an admirable speech in introducing it, will give consideration in Committee to limiting this rigidity, which goes further than the hon. Member indicated, because there are three possible systems —elective auditors, district auditors and professional auditors—and they only discussed the possibility of returning to the elective system if one of the other two systems were adopted. It is quite conceivable that a council might desire to change from sub-section (1) to sub-section (2) or *vice versa*, but that is obviously impossible as the Bill stands, and I urge my hon. Friend to give consideration between now and the Committee stage—to which I assume the Bill will go—to that point, which, I think, is one of real substance.

The hon. Member for West Walthamstow took strong exception to the monopoly feature of the Schedule, but not for quite the same reasons as the hon. and gallant Member for Montrose (Lieut.-Colonel Kerr). His objection was to making it a monopoly. I think he is really on rather unsound ground. The sole purpose of putting societies in the Schedule is to ensure that auditors are effectively qualified by some test. I imagine it to be the desire of every hon. Member that the Schedule should be enlarged to include all properly qualified people by reference to membership of some organisation, and I think it was my hon. Friend the Member for Torquay (Mr. C. Williams) who objected to Scotsmen being brought in. It is not a question of bringing Scotsmen out of Scotland for the purpose of auditing English accounts. The actual fact is that there are practising in England a large number—I believe at least 1,000—members of some of these Scottish organisations. I have one or two living in my constituency. They are resident in England, earning their living in England, and would be debarred from carrying on their normal occupation in one direction if the Bill went through in its present form. No one would suggest that a medical doctor who qualified in Edinburgh University should be debarred from acting as a medical officer in an English town. We have not had any definite declaration from any supporters of the Bill that they will, in substance, meet the principle raised by the hon. and gallant Member who moved the rejection, but if there is any indication that that is so, I hope he will see his way to ask leave to withdraw his Amendment.

There has been some discussion as to whether this Bill applies to Scotland and Northern Ireland. By implication, I think, it only applies to England and Wales, because it refers to municipal corporations, and I think they call them something different in Scotland. It could only apply to organisations which exist in England, but I do not think that that necessarily excludes its application to Northern Ireland, unless that is automatically excluded under the Act which set up the Northern Ireland Parliament which I have not had an opportunity of studying. The hon. Member for West Walthamstow took strong exception to the practice of requiring premiums from those studying for the profession of accountants. Whether it is a good or bad principle, it is very general, and not quite so undemocratic as the hon. Member thought. He will find it in the trade union world if he looks close enough.

Mr. DEPUTY-SPEAKER (Sir Dennis Herbert): The hon. Member would not be in order in going into that.

Mr. WILLIAMS: I agree, but the hon. Member for West Walthamstow raised the point as a point of principle, and I wanted to show that the point of principle did not apply only to accountants, but is to be found in many other occupations.

Mr. DEPUTY-SPEAKER: That is where the hon. Member is getting more out of order.

Mr. WILLIAMS: I am sorry. I am, as a rule, I hope, not one given to disorderly remarks. The Parliamentary Secretary made a statement which was a little irrelevant to the Bill, but which, I think, was not quite accurate when he said there were more Englishmen in Scotland than there were Scotsmen in England. That is not so. There are twice as many Scotsmen here as there are Englishmen there, but the proportion of Englishmen in Scotland is four times as great as the number of Scotsmen in England.

The hon. Member for Richmond (Sir W. Ray) spoke with great weight of authority to-day as chairman of the Committee on Local Expenditure which was responsible for making the recommendations on which this Bill is founded. I do not often differ from my hon. Friend the Member for Richmond, who has been my guide, philosopher and friend in many political matters. But he suffers from one disability in this matter, because his great municipal experience has been confined to the London County Council and a Metropolitan borough council, and I think both in the London County Council Act, 1888, and the Metropolitan Councils Act, 1898, it was required that their accounts should be audited by district auditors, and therefore they have never had a chance of finding out the other method of auditing. If the hon. Member for Richmond had had the same kind of experience that other members engaged in municipal government outside London have had, he might have taken a different view, and might have found himself in accord with the four dissentient members, who, I think, were all representatives of the precise class of municipal authority to which this Bill applies.

We had a very long and interesting speech from the hon. and gallant Member for South-East Leeds (Major Milner), who, as far as I could make out, was alone in desiring to retain the system of elective auditors. I wish to dissent from his point of view. There is no more firm believer in the democratic principle in its right place, but the selection of persons to do specific jobs is not a matter for democracy, but of selection by the few. Nothing is administered effectively by a committee. It always boils down to some person or other doing the effective administration, and if you are choosing people to do things, you cannot elect them wisely. You elect a general body of people to decide

[Mr. Williams.]

on general principles, and elect them on general principles, but in practice the attempt to elect people to carry out detailed jobs, as in the case of the United States, is very bad. When you think of the interest taken in the election of these elective auditors, and when you think quite frankly of some of the people who get elected—quite a number of friends of mine have at one time or other, to please their vanity, put up for elective auditors—you find that very often they have had no training or experience for the job. I know one particular town where a gentleman who approached the standard of being the village idiot always used to put up for the post, and was always successful. His election was a periodical joke. We really want to bring that kind of thing to an end, and I am amazed that a gentleman with the experience and knowledge of the hon. and gallant Member for South-East Leeds should desire to perpetuate a system which seems to be so entirely indefensible.

There are certain wider considerations about this Bill which make it of rather greater importance than has been realised by some of those who, if I may say so with great respect, have been making rather frivolous speeches. Before I deal with those considerations, however, I want to challenge the hon. Member who moved the Bill for deceiving me in some degree. He stated that the accounts of 11,000 local authorities were audited by district auditors. I remember looking into the question some little time ago, before the last local government Act was passed, and noting that there were 1,750 local authorities, and as a number of them were wiped out by that Act, there are now about 1,400. In view of this fact I have made some inquiries and I have discovered that the hon. Member has included Mr. Gladstone's favourite child, the parish council, amongst the 11,000 local authorities.

Mr. C. WILLIAMS: Surely Mr. Gladstone's children have to be audited?

Mr. H. WILLIAMS: Quite obviously it is not a very important matter that the trifling accounts, as they are in most cases, of the 10,000 parish councils come under the control of district auditors. Those councils are not great administrative bodies. Many of them have a very nominal existence, and very nominal duties, and we ought to discuss local life in the serious sense and not from the rather unimportant standpoint of typical parish councils—those which have no effective duties to perform that I have been able to discover. One council in the district where I was born used to hold a meeting once a year, and raised about £50, all of which used to be paid to the clerk, who was a football friend of mine. That was the limit of the activities, so far as I ever discovered them, of that parish council. It used to meet in turn at the houses of the different members. I remember that my father, when it came to his turn——

Mr. DEPUTY-SPEAKER: The hon. Member is getting away from the subject of this Bill.

Mr. H. WILLIAMS: I am sorry that I cannot describe how the work of a parish council was carried on. Its accounts had to be audited by one of these district auditors, and the main occupation was to consume refreshments while they discussed the audit system. If we are to adopt the principle of this Bill we shall ultimately wipe out all elective auditors. Personally I would rather make it compulsory. The hon. Member who moved it gave reasons why it should not be made compulsory. He said that if it were made compulsory there would not be sufficient staff to do the work. In saying that he revealed what I call the bias of the Bill, which I do not like, because it is in favour of the district auditor, in favour of increasing the staff employed at the Ministry of Health. I am a believer in private enterprise, and have no desire to see the number of civil servants increased. I would much prefer to see the Bill consist solely of sub-section (2), without sub-section (1) at all.

It is interesting to observe what has been the attitude in the past of the bulk of municipal corporations. Many of them have promoted Bills to relieve themselves of the undesirable elective auditor system. Unfortunately they had to go to that expense, and this Measure will save them the necessity of promoting such legislation in the future. The great bulk of them have deliberately chosen the system of professional audit rather than of district audit. I doubt whether the district audit system would exist to any material extent if it had not been imposed by Parliament in various local Government Measures, all of which were drafted either in the old Local Government Board or in the Ministry of Health. There has been the natural bias—I am not making any reflection on our distinguished civil servants—to extend the activities of their own Department. This matter has been examined in the past, as the hon. Member for the Faversham Division (Mr. Maitland) indicated. As long ago as 1902 a Joint Select Committee of both Houses was appointed to go into the whole question. It was presided over by a very distinguished gentleman, the Earl of Crewe, and it recommended that the accounts of all local authorities—not merely municipal corporations, but county councils, urban district councils, rural district councils, and the group of Metropolitan councils—should be audited by professional accountants. They were rather narrow in their outlook, because they limited the professional accountants to members either of the Chartered Institution or the Incorporated Society. I do not think we should take that narrow view to-day.

That was 30 years ago, and things may since have altered to some extent. I imagine that report was not welcomed too cordially in the old Local Government Board, because what they saw in it was a condemnation of their own methods. At that time about 55 people were employed in this audit department, half of them either barristers or solicitors. Their main pre-occupation was not audit, as we understand it in the commercial sense, in the sense of the financial protection of the people; their purpose was to discover whether petty illegalities were being committed. We have heard a good deal on the question of surcharges. The main use of the surcharge, as I understand it—apart from when some of our hon. Friends opposite, or some of their friends, get into trouble—has been in the case of pettifogging irregularities, not malicious, very often committed through ignorance. To-day the audit department of the Ministry is rather larger. I am not sure whether the information supplied to me is strictly accurate, because it has had to be extracted with difficulty from various documents, but at present the audit department appears to contain 150 people. Thirteen of them are barristers, 13 are either chartered or incorporated accountants, and 125 do not appear to have any stated qualifications at all—I mean qualifications in the sense that they should have qualifications as auditors. These ladies and gentlemen, I have no doubt good citizens, are doing their job to the best of their ability and according to their lights and training; but having regard to the magnitude of the operation of municipalities I am very doubtful whether it is quite good enough service.

The Mover said that he did not want the Bill introduced too suddenly, because there would not be enough Civil servants to do the job. It is manifest that we have enough professional accountants to do the job; there would be no difficulty in finding in the profession a good supply of competent and able men. My hon. Friend the Member for Richmond, in defending his recommendation in the report of the Committee on Local Expenditure, said he wanted to get hold of men with experience in local government. Some 80 or 90 municipal corporations promoted Bills between 1889 and 1932 under which they obtained power to appoint professional accountants. So far as I know, most of them have adopted that course. There is already a large number of professional accountants with complete familiarity with local government, and the point raised by the hon. Member for Richmond has been met.

I feel very strongly that we should have the very best accountants. The hon. Member for Westhoughton (Mr. Rhys Davies) said that it was merely a matter of checking. I took a note of what he said —"checking people's honesty." He pointed out, quite truly, that the Welshman is naturally honest, but that did not seem to be very relevant to what he was discussing. He regarded the surcharge as a thing that was of vital importance. He said that it was a check upon dishonesty, but he overlooked the fact that the presumed irregularity might arise from ignorance. He did not seem to understand that an auditor is a man who not merely makes sure that everything that has been received by the corporation has been paid into the bank and that everything that has been paid out is correctly entered up, and that that is not the only, or the primary function, of the check. The auditors have, of course, to

[Mr. Williams.]
make sure that nobody has put sticky fingers into the till, but they are concerned with very much wider questions of public finance. In regard to this, the hon. Member for Westhoughton did not seem to have any conception.

May I just indicate the magnitude of the task involved in this question of local government accounts. This Bill only covers municipal corporations, and I have not been able to separate from the accounts of all local authorities those which apply to municipal corporations, because the classification does not, I find, separate them entirely. I imagine that the expenditure of municipal corporations represents more than half of our national expenditure, which covers the whole of the county boroughs, the whole of the municipal boroughs and only excludes the county councils and the urban and rural district councils. At the present time, those local authorities in the aggregate have a turnover, on each side of their accounts, of £500,000,000, that is, £500,000,000 of receipts and £500,000,000 of expenditure, on current account. That is something of enormous magnitude. On trading services—I think their housing estates ought to be included in this—they have £1,000,000,000 of capital. The turnover on trading account, on both sides, is £160,000,000. Enterprises of that magnitude do not merely require people who check the accuracy of the book-keeping. They call for people who can advise upon financial policy, and upon depreciation, reserves and renewals.

I am definitely of the opinion that professional auditors should be regarded as the people to do this job. We should not regard the job as one for the Ministry of Health people, who are, in fact, inspectors who have to make sure that plain robbery has not taken place. You need something much bigger than that. I am one of those who would abolish a good deal of the municipal trading that takes place, but this is a conservative country, and the attitude of the ordinary man is probably that the municipal trading that we have is justified, but that we do not want any more of it. I do not visualise the time when waterworks and tramways will be taken away from the municipalities, although I think that it would be a good thing if that happened. These gigantic undertakings, with a capital of £1,000,000,000 and £160,000,000 trading account, have to be audited—by whom? If the hon. Member for Westhoughton has his way, or the Ministry of Health have their way, they will be audited by people of no commercial experience, people who are not examining the way in which manufacturing and distributing industries are carried on. I think that they ought to have that kind of experience.

I do not think that the figures that I have given represent the future magnitude of this matter. I have spent a good deal of time in this House tilting against municipal extravagance. I regret that I do not get the support that I ought to get, but I shall go on tilting against it. It is a little difficult now to separate national finance from local finance. If you take what I call national and local Supply, you will find that it has gone up in the last ten years from £520,000,000 to £630,000,000, and half of it has gone to our local authorities. A very large proportion of money that we vote in Supply—one-third of our Supply Votes in this House—goes straight to the local authorities. It has grown in the last few years, as the hon. Member for Richmond pointed out. In England and Wales alone, the grants to local authorities have gone up by £60,000,000 in ten years. I imagine that it will go on growing, unless I can persuade more people to take my view that the activities of the municipal authorities ought to be checked. I must assume that the view from which I dissent will prevail. That being so, I would audit on a much higher standard than is being called for by a good many hon. Member who are supporting this Bill.

Our national accounts are, of course, audited under a very rigid system. In the main our national accounts are not trading accounts. The most important work of the Auditor-General is to check whether the Departments have obeyed the decisions of this House. The State does not carry on its accounts on a trading basis, but purely on a cash basis. Whether the Budget is balanced or not is entirely a matter of whether the cash receipts exceed the cash payments in the financial year, and there are no reserve accounts and capital accounts, such as we get with municipal authorities, which to some extent do their bookkeeping on the same lines as the commercial firms. We ought to take the very strongest view, in order to ensure that in future we shall have a standard of accountancy definitely higher than in the past.

The House ought to be exceedingly grateful to the hon. Member for Penryn and Falmouth (Mr. Petherick) for having brought forward this Bill, and for having given the House of Commons an opportunity for a very valuable Debate, in which many points of view have been expressed. Everybody will agree that that hon. Member has rendered a public service. I sincerely hope that the Bill will receive a Second Reading, and that when it gets upstairs the hon. Member's mind will be elastic in regard to Amendments that may be brought forward, so that when the Bill comes down for the Report stage it will be received with universal satisfaction by the whole House.

2.43 p.m.

Mr. ATTLEE: I intervene in this Debate to deal only with a narrow point. I do not wish to follow the hon. Member for South Croydon (Mr. H. Williams) in the extraordinary range and the varied assortment of points that he has raised, from the village idiot upwards to municipal trading. He appeared to be as strong in opinion as effective in knowledge, and I was surprised to find myself in agreement with him to some extent. As to the views of the hon. Member for Richmond (Sir W. Ray), he put forward a very dangerous suggestion on this matter. What the hon. Member in effect said was that he wanted this Bill to be extended in Committee so that auditors should not merely be able to advise, as the hon. Member for South Croydon suggested, but should actually lay down a policy for the local authorities. We have had some experience of that in the London area with the district auditors. We have found that the district auditor is not a genuine civil servant. He is practically out of control of anybody, but he comes along and tells the local authorities what they are to do. That is all very well, if he is administering a code of law, and says, "You must not do this because of legal difficulties", and it is all right for him to advise on points of finance, but what he has taken upon himself to do is to lay down the law for local authorities, and to say what shall be their social outlook.

In numbers of cases it is left to the local authority to do this or that if in their opinion they think it is wise. Then this gentleman intervenes, and the result is that in such cases the local authorities have to key down their whole social ideas to the conception of a gentleman who is no doubt a very estimable gentleman, and who, I understand, is a great authority on contract bridge, but who has no great experience of social affairs generally. You have here an attempt, such as all professions make, to get a monopoly for their members.

It may be pointed out that the members of this particular society are likely to come from a particular class; they get a particular class outlook; and, if we are to accept the views of the hon. Member for Richmond, and auditors are to have power to enforce their views in regard to the standard of life of the people and the kind of provision that is to be made by local authorities, we shall get a kind of dull level; we shall get a kind of aspidistra mind running through everything. Chartered accountants are most estimable people, but we do not think it is necessarily desirable that the nation should be ruled by that particular type of mind. It is to be seen in its finest flower expressed in Sir George May's Report, and particularly in his remarks on the kind of education that is suitable for workers, and the danger of their getting better education than their betters.

This Bill is dangerous because it says, in the first place, that there must be this type of audit, and then that the auditors must be confined to certain particular societies. It is then confined to a certain class, and very often you find the auditors insisting that a local authority, in its provision of houses or of amenities of one kind or another, shall do what is proper; and what is proper is what appeals to that particular class. Then the auditor proceeds to surcharge any council that goes outside it. This kind of thing has happened quite recently in a certain provincial town where a great controversy arose over certain undraped statues which were placed on the staircase of the Town Hall, and which offended some people very much. Imagine what might happen in the case of a town which had provided an art gallery, if there happened to be an auditor of that type of mind. The council would be surcharged, and would be

[Mr. Attlee.]
told that they must only do what was right in the view of the auditor. The next thing that would happen would be the taking of the case to the courts, and when a case of that kind gets before His Majesty's Judges—excellent and learned people, but notoriously, as a class, about 30 years out of date—[HON. MEMBERS: "Order!"]—I am not attacking any of the Judges. Judges do not usually attain that position until they are 50 or 60, or sometimes 70——

Mr. H. WILLIAMS: Like Socialist Cabinet Ministers.

Mr. ATTLEE: There has been a similar danger in regard to Cabinet Ministers. People of that age necessarily tend to be behind the times, and you can trace that throughout our legislation. The social and economic outlook of the Judges is always 30 or 40 years out of date. That is the danger of the Bill if it is extended in the way asked for by the hon. Member for Richmond. His point of view is quite logical. He believes in a Conservative outlook, and he wants to force that outlook upon local authorities all round. He knows that the power of the auditor has been one of the ways in which the central Government has enforced its will upon local authorities. I doubt whether he would take just the same view if we had a Socialist Government, and Socialist Ministers were enforcing Socialist ideas on local authorities. He believes that he has here a machinery which will get the kind of outlook of the London Municipal Society enforced on all municipalities. I think there is great danger in the Bill, and it will need close watching in Committee.

Lieut.-Colonel KERR: I beg to ask leave to withdraw the Amendment.

Amendment, by leave, withdrawn.

Main Question put, and agreed to.

Bill read a Second time, and committed to a Standing Committee.

GIFT COUPONS BILL.

Order for Second Reading read.

2.50 p.m.

Lieut.-Colonel MOORE-BRABAZON: I beg to move, "That the Bill be now read a Second time."

I should like, first of all, to apologise to my hon. Friend the Member for the West Derby Division of Liverpool (Sir J. Sandeman Allen) for the fact that his name is included on the Bill instead of that of his son, the hon. and gallant Member for West Birkenhead (Lieut.-Colonel Sandeman Allen).

I have always been told, I believe rightly, that a Member of Parliament should never turn up on a Friday, and that, if he turns up, he should always vote against every Measure that is brought forward. I have adopted that practice with singular success for many years, and, consequently, I find myself in a somewhat curious position in being responsible for a Bill introduced upon a Friday afternoon, especially as it is a Bill which in a way curtails the freedom of the subject—a thing which is always aimed at, as hon. Members know, on Friday afternoons. That, indeed, is the purpose of a Friday afternoon.

This Bill affects a very big interest, and I think that, in regard to a Bill of this kind, it is just as well that we should be perfectly clear as to where we stand. I am a director of the Kodak Company. The Kodak Company make cameras which they distribute for free gifts, and the Board of the Kodak Company are very much upset with me that I should be interesting myself in the suppression of coupons. Apart, however from that, which, after all, is a negative incentive, I have nothing to do with the distributing trade at all. But I must say that I was impressed with the hardship that seems to be oppressing small and big retail traders up and down the country, and, quite by accident, I became involved in this particular form of Measure, and have stuck to it ever since.

I would like to say a word about my opponents. I want it to be perfectly clear from the very beginning that, from the point of view of the operation of their scheme, they have done it with scrupulous fairness and absolute honesty. Even in the case of such a device as the giving away of cards, where the suppression of one or two cards would stop you from getting the complete pack, that sort of thing does not occur. The cards are perfectly honestly distributed, including the "Joker," and, although a certain amount of changing takes place in the trade every morning, it is perfectly honest and above board. I would like also to pay a tribute to their propaganda, because, if there were many more Bills of this character, we should all have to provide another waste-paper basket, and we should soon be on the way to make that fortune which is promised us on the streets by saving our waste paper.

It is easy to get support in large quantities for a Measure which *primâ facie* gives something for nothing. In New Zealand, where this particular subject has been ventilated, I believe that no less than 60,000 signatures protesting against the contemplated doing away with coupons were obtained, but, after an investigation, it was found that the coupon system was bad, and it was done away with. Therefore, hon. Members must not be too impressed by the number of protests that come to them by every post with regard to this Measure. We are trying to stop the giving of coupons, not coupons which are redeemable in cash, but coupons which are redeemable by goods in other walks of life to the trade in which you are buying. It is not that anyone objects to a gift in reward for purchasing something of the same character, but the coupon system has gone wrong in that it disturbs another trade to that in which you are buying. It is the giving of commodities in other departments of trade for coupons that we are trying to stop. The objection comes from the retailer. The shopkeeper, small and big, is having his business undermined.

I have behind me the support of all the national chambers of trade in this matter, and I have the support of many manufacturers. Five hundred manufacturers are in favour of giving coupons, but the rest are not. We say it is intolerable that, if I buy cigarettes, I can eventually, by the saving of coupons, get a watch or some other commodity and deprive the jeweller of the opportunity of selling me that watch, and, if I buy soap, I disturb, by the buying of soap and the collecting of coupons, a man who wants to sell wireless sets. No retailer to-day knows where he is as to his stock at all, because at any moment a commodity which he normally stocks may become a gift for coupons. The "Times" the other day published an article headed "Dona ferentes," which I thought rather gave the case away. A certain number of people think they are geting something for nothing with gift coupons. Even if they do not think they are getting something for nothing, if they are to get value for what they buy, it means that they must collect and save their coupons. Because a man has bought several packets of one brand of cigarettes, he becomes a sort of tied house in that line of goods. He has to continue in order to get his money's worth. It has been shown that 35 per cent. of the buyers are not collecting their coupons. This has been condemned in certain directions. The Food Council condemned it. They said in their Report dealing only, of course, with tea—that is all they were asked to deal with—

> "The true and honest value of coupon tea is 50 per cent. less than the actual price charged to the consumer."

The Ministry of Health from the point of view of the National Health Insurance Clause 4 say:

> "and chemist shall not give, promise or offer to any person any gift or reward as an inducement to or in consideration of his presenting an insurance prescription."

That is the National Health decision. I only wish it was spread rather further. There is an interesting remark by Lord Dulverton, the head of the Imperial Tobacco Company, who said at the annual meeting:

> "The coupon craze has reached, in my view, distinctly unhealthy proportions, and a general disturbance of the ordinary channels of distribution has occurred which is regrettable and ultimately one would imagine against the best interests of the public themselves."

It is interesting to see how this system is having a snowball effect, because, instead of that view being held, he was compelled himself to adopt the system. Let me read some of the things that are now being offered: 150,000 shirts, 500,000 striped ties, 250,000 shirts, 2,000,000 British-made caps, 250,000 boots and shoes, 250,000 Oxford hats—I do not know what an Oxford hat is—500,000 pairs of British-made boots and shoes, and again 500,000 boots and shoes. It will be obvious that the supply of these commodities must necessarily disturb the retail dealer. The people who are supporting coupons and who are against the Bill are interested in grocery, and the reason for that is that at present the couponeers do not give grocery commodities. As soon as grocers' products are given away in return for coupons—

[Lieut.-Colonel Moore-Brabazon.]
and it may occur at any moment—the opinion of the grocers may change very violently. It is a fact that representatives of the grocers are on our side in England and in Scotland.

I should like to draw attention to another very sinister and cynical aspect of this development in our trade, and that is the trade that is taking place in coupons. I do not suppose, Sir, that you take in a paper called the "Exchange and Mart," nor is it to be found in the Library, but there are two pages in it devoted entirely to the sale of coupons. This sort of thing is growing. Say there is a wireless set retailed at £5. The wholesale price will be £3 10s. 0d. But that is not the way to buy a wireless set. The cunning man looks at the catalogue supplied by the couponeers. He is not interested in the price. He sees how many coupons he has to get in order to get a wireless set. He buys his coupons, sends them to the maker and gets his wireless set. It has been said that this is a method of advertising, but in that particular transaction the man who has got a wireless set by coupons has never in a single instance got the commodity that it is intended to advertise. The thing has gone rather further. We now get protests from people of this type. Here is a man who is interested in selling machine tools. He also sells razors. This is a letter that he writes to the Gillette industry.

"We notice in the Kensitas gift book that your products of Gillette and Autostrop are available for coupons, the 21s. outfit being available for 400 certificates. We understand that these coupons can be purchased at 2s. 6d. per hundred, so that for 10s. any person can obtain a new 21s. Valet razor. This seems to us an infringement of your price maintained terms:—Not to be retailed or offered for sale at a less price than that shown on the price seal. Kensitas are selling them for 400 coupons."

He ends up with this very significant remark:

"It is cheaper for us to purchase coupons rather than to buy direct from you."

If that is not undermining the whole distributive trade of the country, I know of no worse example. I would like to tell the world that far from considering a change of currency from gold to silver, we are rapidly becoming a country with a coupon currency. I do not think that we have had from all the literature circulated to us very much defence of the trading which is taking place in coupons. We hear a good deal about the unemployment which would be caused if the coupon system was stopped, and I have no doubt that there are many useless things made to-day by manufacturers which could only be got rid of by being gifts for coupons. What is not seen is the fact that up and down the country the retailer is feeling the draught, because he cannot sell many of the things that he would do because they are now obtained by the coupon system. Slowly, up and down the country, assistants are being discharged from shops. That is not perhaps a very noticeable thing, but we have to remember that out of 2,000,000 people engaged in the distributing trades the percentage of unemployed is exceedingly high indeed. I do not believe that this particular system is good either for the manufacturer, the distributor or the consumer.

I feel, having been in the House of Commons for a long time, that to ask the House of Commons on a Friday afternoon, even if the debate had started at eleven o'clock this morning to come to a decision from the point of view of a Second Reading of the Bill would be asking them to do a very big thing on what is a very big matter. There have been inquiries throughout the world on this particular matter; in New Zealand they have passed a law against gift coupons, in Western Australia they have done the same, and in Queensland, South Australia, Canada, and some of the States of the United States of America, Denmark, Norway and Sweden, Switzerland and other countries they have investigated the matter. I shall be happy to-day if, when the Minister replies, he will tell us that there is, anyhow, a *prima facie* case to be looked into to see whether this particular form of trading is good or is bad for us, because certainly it is on the increase. If he can tell us that, from the point of view of the Board of Trade, they believe that an inquiry should be set up, I shall be happy to wait for the result of the inquiry and to withdraw my Bill.

3.8 p.m.

Mr. MABANE: I beg to second the Motion.

Like my hon. and gallant Friend the Member for Wallasey (Lieut.-

Colonel Moore-Brabazon), I feel that at the outset I ought to make clear my own position. My business interests are to a very considerable degree linked up with the business of retail distribution. I want to make plain at the start that, as far as I am concerned as a retail distributor, I think that the case against gift coupons, on the ground that it interferes with the business of retail distribution, has been rather exaggerated. While it is true that if the gift coupon spreads widely the retail distributors must be adversely affected, I should like to say that I do not think it has affected me, or those whose businesses I know well, seriously at all.

I should like to approach the matter from a different point of view, and perhaps it is better that one interested in retail distribution should. It does not seem to me that this House would have any reason to pass the Bill merely to defend the retail distributors, but it would have reason to consider the merits or demerits of the Bill on the ground, that gift coupon trading represents the intrusion of manufacturers into a sphere of business activity not properly their own—into the sphere of distribution—by means of the gift coupon. Is this a good method or a bad method? If it is a good method, then by all means let it be developed. Let us do away with the ordinary methods of retail distribution. Let us close down shops and conduct our retail distributing by means of gift coupons. The only difficulty I can see is that you would not be able to buy the goods on which the gift coupons were given. Therefore, there is a certain logical difficulty in pursuing that course. On the other hand, if it is a bad method of distribution, let the House agree with the hon. and gallant Member for Wallasey that there is a *prima facie* case for examination, and if this is not a good method of distributon, if it is wasteful, uneconomical, deceitful false method of distribution, let us try to discover means of dealing with it.

Those who oppose the Bill are apt to say that there is an analogy between this method of trading and the method employed by the co-operative societies, that it is unfair that ordinary traders should not be able to give some form of gift, while co-operative societies are able to give a dividend. Surely, the positions are quite different. The co-operative societies give a dividend in money, while those who use the coupon trading method give a bonus in the form of goods other than those of their own manufacture. This Bill provides, quite plainly, that there shall be no objection to the giving of a bonus by way of cash. That would enable the gift coupon traders to be on exactly the same footing as the co-operative societies.

There is another aspect of the question to consider. We are told by the opponents of the Bill that gift coupon trading is the most efficient and most economical form of advertising, and because that is so we should not endeavour to interfere with it. That is not the point. The point is whether it is an honest method of advertising. We are not concerned with the efficiency or inefficiency of various forms of advertising but with various forms of advertising that may have an injurious effect on the public mind. Only recently we have heard from one of the manufacturers particularly occupied in this business of gift coupon trading, in reply to a question, that these gifts were not free gifts at all. He explained that they represent no more than deferred payment. If that is so, surely it is better that they should be represented to the public as in the form of deferred payment. One of the principal objections to this method of trading is that it induces manufacturers to insert in their advertisements statements which are definitely untrue. One reads for example, that

> "It is easy to be well dressed if you smoke Black Cat."

I recommend that statement to hon. Members of the House who are not satisfied with their own style of dressing at the present time.

I might refer also to a statement made publicly by those who indulge in gift coupon advertising. One notices the open letters which have been addressed to the Prime Minister and other Members of the Cabinet. An appeal is made this morning to the right hon. Gentleman the Leader of the Opposition, who is informed by a certain gift coupon trader that he has always given consideration to developments that will improve the social life of the people, and he is then informed

> "We, along with other cigarette manufacturers, have given cards and inserts in cigarette packets which were of little or

[Mr. Mabane.]

no value, but to-day we give instead five certificates in every packet of real, definite worth."

That sort of advertisement, surely, is beneath the contempt of the decent trading community. There is no argument for this sort of advertising, because it is dishonest. An argument for coupon trading is put forward on the ground of employment. We are told that if coupon trading is stopped many people will be thrown out of employment. Surely, that is a most fantastic argument. The amount of employment depends on the total amount of money available for spending, and the total amount of money available for spending will not be altered in the slightest degree by the abolition of gift coupon form of trading.

There is one further point which I think is an additional reason for urging the House to agree that this matter should be investigated. I refer to the effect of gift coupon trading on rateable values. By the derating Act of 1929 manufacturing concerns were exempt from three-quarters of their rates. Retail distributors have still to pay the full rate. If the retailer occupies a floor of his building with a manufacturing process he none the less has to pay the full rate on the whole of his building. If, on the other hand, a manufacturer occupies one floor of his building with a process of distribution he escapes three-quarters of the rates for that portion of his premises. I suggest that it is not fair that the retail distributor should have to pay the full rate for the whole of his building while the manufacturer engaged on a retail distribution is exempt from three-quarters of the rates for the whole of his building, notwithstanding the fact that he is occupying a great deal of the building with the business of retail distribution. That is a reason why the matter should be considered, in order to discover whether it is not proper to include those manufacturers who indulge in retail distribution within the sphere of the Act and pay the full rates levied by a local authority.

I regard the phenomenon of gift coupon trading, which has developed so much during the last year or two, as a phenomenon caused principally by falling prices. I believe that it is to the benefit of this country if goods are sold to the greatest extent with a brand on them which guarantees quality and fixes prices. In conditions of falling prices we have seen the disadvantage which may occur from that desirable development in modern distribution if we do not stop the gift coupon trade. Take an instance, take cigarettes costing 1s. per 20. At one time that was a fair price, but conditions of falling prices have made that an unfair price; it has exaggerated the amount of profit. A manufacturer finding that he can reduce the price of cigarettes to 11½d. or 11d. finds also that he does not materially increase the sale of cigarettes. If he continues to sell cigarettes at 1s. and an undue profit remains there is the danger of an intrusion into the field of his activities of new and, as he thinks, undesirable competitors. The only thing he can do is to attempt to absorb some of this new undue profit by means of gift coupons, and it is my belief that the development of this system has been principally caused by the condition of falling prices which has created new and unusual and too great a profit in the case of branded articles sold at fixed prices.

It is better that we should not allow, at this stage in the development of our distributive processes, when the process of branding goods and selling them at fixed prices is developing so well, the system to be defeated by a form of trading which cannot be defended on any reasonable grounds, and which can only be defended on the ground that the public are, on the whole, stupid in the opinion of manufacturers and that by means of gift coupons their stupidity can be made a matter of advantage to the manufacturers. On these grounds I support with great heartiness what has been said by the hon. and gallant Member for Wallasey, and I suggest that this House would be well advised to support him in urging on the Government that, even if we cannot have a Second Reading of this Bill, there is at any rate a good case for the Government to suggest that further inquiry be made into this matter of gift coupon trading.

3.20 p.m.

Mr. T. WILLIAMS: I beg to move, to leave out the word "now," and at the end of the Question to add the words "upon this day six months."

I think I express the feelings of the whole House when I compliment both the

Mover and Seconder of the Motion on the very fair way in which they have introduced this Bill. I would ask at the outset why it was that the Bill was only made available to Members yesterday.

HON. MEMBERS: This morning.

Mr. WILLIAMS: In some cases Members were able to obtain a copy yesterday, and I was one of them. In view of the irritation which has been caused by this question for such a long period, and having regard to the fact that the Mover of the Second Reading knew so long ago that he would introduce a Bill, he might have given right hon. and hon. Members the privilege of looking at the Bill long before the date of the Second Reading.

Lieut.-Colonel MOORE-BRABAZON: As a matter of fact the Bill only varies in two words a Bill that was before the House last Session. I regret that it has not been available earlier. It certainly should have been.

Mr. WILLIAMS: Of course, I accept the explanation, but I am sure that the hon. and gallant Gentleman appreciates that there are 6½ million co-operators in this country, and that the Bill may or may not affect them adversely. At all events we were not assured until noon yesterday whether the Bill included co-operators or not, and even now, after the speech of the Seconder of the Motion I am not sure that Clause 4 excludes co-operative societies. From that point of view I feel justified in moving the rejection of the Bill.

Before proceeding to answer the general arguments of the Mover and Seconder of the Motion I want to deal with the Food Council Report, which has formed the basis of all the activities, for a considerable time, of those responsible for the production of this Bill. Unless right hon. and hon. Gentlemen are made aware of the facts the chances are that they will still believe that the Food Council, acting on behalf of the Board of Trade and the Ministry of Health, conducted a very meticulous inquiry into the quality of tea sold under the coupon system. What are the facts? As a result of a Parliamentary question in March, 1931, the Food Council sent out a letter to the English and Scottish Joint Co-operative Society asking for certain figures relating to tea sales, with a question in the following form:

> "If it is the practice to issue coupons with tea sold by your Company, the Council would be glad to know how long the practice has been in operation, with which blends or brands of tea the coupons are issued, and the approximate relation between the cost of the articles given in exchange for returned coupons and the retail price of the tea."

They went on to say:

> "Any information so obtained would be summarised and consolidated in a single statement."

There is the further statement:

> "Any information given them in regard to any individual business would be treated as strictly confidential."

The Scottish Federation of Grocers and Provision Merchants Association set up an inquiry of their own. They were known previously to be hostile to coupon trading. They therefore did not call in independent tea testers, nor did they invite the Ministry of Health to conduct a test upon certain qualities of tea. They just applied a test that they themselves designed. They sent a report to the Food Council and the Food Council without comment, without inviting those selling tea to rebut any of the evidence of the Scottish Federation of Grocers, just sent the report of this body of Scottish people direct to the Board of Trade. I submit that that was not an investigation at all, and I think it would not be unfair to suggest to the Mover of the Motion, that, to bring forward this so-called Food Council report as evidence in favour of the anti-coupon Bill is not playing the game, either with the Food Council, the Board of Trade or hon. and right hon. Members of this House.

I want to deal with some of the supporters of the Bill. The hon. and gallant Gentleman has referred to the statement of Lord Dulverton representing the Imperial Tobacco Company. I can also bring forward as a witness Lord Bradbury and that I intend to do. Lord Bradbury is hostile to the use of coupons by tobacconists and cigarette firms and the reason is obvious. The Imperial Tobacco Company disposes of approximately 80 per cent. of the total tobacco sold in this country and if smaller firms, making use of coupons instead of spending the whole of their money on advertising through newspapers and posters, can give back to the consumers, in the form of useful gifts, seven-eighths of the sums which otherwise would have been spent on those other forms of adver-

[Mr. Williams.]

tising, they may be encroaching slightly upon the 80 per cent. control of the Imperial Tobacco Company. We may recall that this company spent in 1931 about £650,000 on advertising. Obviously in the last analysis the consumers pay that £650,000, and, not only that, but they contribute towards the £8,000,000 profit made by the company.

I can understand those concerned in this very lucrative business of selling cigarettes and tobacco—which has been almost a monopoly of one huge combine for so long—being disturbed in their peaceful equilibrium, if other retailers or manufacturers of cigarettes can find, not only a more effective means of advertising their goods, but a means of disposing of an article of similar quality in a way which meets with the approval of the customer and incidentally does not affect adversely the consumer of cigarettes or pipe tobacco. I notice that the anti-coupon manufacturers group convened a meeting in November, 1932, at which Lord Bradbury, representing the Imperial Tobacco Company, and many other notable men were present. The report of that meeting shows that an effort was made to secure Lord Bradbury as Chairman of the anti-coupon manufacturers committee and, apparently, to judge from the statement made by the organiser of the meeting, there was justifiable reason why Lord Bradbury should be made Chairman of that committee. The then Chairman of the Imperial Tobacco Co. said the company had "nobly carried the flag" and made it clear to all concerned that they were dead against coupon trading. "Nobly carried the flag," I interpret—and I hope I do not do the Imperial Tobacco Company an injustice—as implying at all events that they have been financing the anti-coupon trading group.

Mr. MABANE: It means that they have not been working the coupon system.

Mr. WILLIAMS: If the hon. Member suggests that the Imperial Tobacco Company have not used coupons, I must advise him not to repeat that statement, because the Imperial Tobacco Company have tried gift coupon trading and failed, and it is because they have tried and failed where others have succeeded that the Imperial Tobacco Company are now nobly and bravely carrying the flag.

Mr. MABANE: The hon. Member was speaking of the interpretation of a phrase. My interpretation of it was correct, and his was wrong.

Mr. WILLIAMS: The hon. Member will not deny that the Imperial Tobacco Company produced a cigarette that they called "Four Aces," with which they gave coupons?

Mr. MABANE: It is a matter of the interpretation of a phrase.

Mr. WILLIAMS: I should withdraw any statement which was not in accordance with the facts, whether it applied to Lord Bradbury, the Imperial Tobacco Company, or anybody else, and I invite hon. Members to reach their own conclusions. I want to deal with other opponents of coupon trading, because on the back of the Bill there is the name of the hon. Member for Harrow (Sir I. Salmon), and it is very interesting to notice how those people who have tried and failed immediately turn round and attempt to attack those who have been much more successful. Here is a poster which I think I ought to read, because I am too far away for all hon. Members to read, which was produced by Lyons and Company, Limited, a sort of proclamation to all consumers of tea throughout Great Britain. I do not read it for the purpose of advertising Lyons, but if they derive any benefit, I hope their thanks will be forthcoming later. They say:

> "Whereas twenty-eight years ago Lyons' Tea was first introduced to the British Public in Packet Form—
>
> Its introduction was based upon giving the utmost possible Quality and Value obtainable anywhere in the world.
>
> Whereas it became popular from the start"—

And so on and forth, and

> "Whereas it has never bolstered up its sale by Artificial Methods such as Coupon, Prize, or Trading Stamp Schemes—vainly promising something for nothing—it has steadfastly maintained its first principle"—

and so forth. That is what Lyons say on this proclamation to Great Britain, but hon. Members will observe that that is not the end of the story, for here is another bill issued by Lyons, on which it says:

> "Children, you can get a pop-gun free
> For two front labels of Lyons tea."

I think, Mr. Speaker, that you ought to have the privilege of noting these pop-guns. They not only offer pop-guns, but they proceed to offer to girls and boys pencil boxes filled with toffee-scotch for a few labels from Lyons' tea. I observe that they not only attempt to entice us by giving us toffee-scotch and pop-guns, but they make use of certain other things such as magnificent money-boxes. Here is one of these choice gifts for children whose parents are wise enough to buy the best of all possible teas. For eight front labels of Lyons' tea a money-box can be obtained, and here is a sample. All one has to do is to touch a trigger, put a penny there, and it drops into the box. This is one of the kind of articles to which the hon. and gallant Gentleman referred as articles of little use or substance. I observe that the box bears the official trade mark of "Germany" upon it.

I notice that some of the gift posters are very artistic, but to some they will be regarded as positively indecent, such as the poster which I hold in my hand. I think it is correct, Mr. Speaker, that you ought to see the money-boxes and the pop-guns, but I am not sure whether I ought to turn this poster in your direction. It is issued by Hornimans who, for 40 labels from their quarter-lb. packets of tea, offer stockings in flesh colour, beige, tan and other shades. The hon. Member for Harrow, presumably representing Lyons, will not object to me intimating to the House that this firm of Hornimans have approximately 30,000 shares, of which Lyons own 29,900. There is a tea called Black and Green, and they are not to be left behind so far as gifts are concerned. The purchaser of Black and Green tea can, for 40 labels, have a beautiful Christmas stocking for the children. It is interesting to observe that Black and Green Company, Limited, have 25,000 shares, of which 24,996 are owned by Lyons.

I would suggest that those who oppose coupon trading ought to cleanse their own doorstep and proceed to the bar of public confession and intimate that, having tried and having failed—there may be certain reasons for their failure—they will not now prevent those who are much more capable and successful at organising the business from proceeding on the lines that they themselves desire. The objective of every manufacturer should be the creation and maintenance of the consumers' demand for his products. Good quality and fair price, so traders tell me, do not necessarily secure consumers' demands. Therefore, five main methods of advertising are adopted—press advertising, poster outdoor signs, solicitation by mail, house to house solicitation and gift coupons. Each method must, in the nature of things, have its own place in the commercial scheme, but I would suggest that, all things being equal, no body of people should have the right to determine how one firm or another are to advertise their particular goods. If it can be proved either by the Board of Trade, the Ministry of Health or any of the Government Departments that any body of people are acting with fraudulent intent or are unfair or insidious in their methods, then, of course, I would not object to a Bill of this kind being pressed through, but if, as the hon. Gentleman below the Gangway suggested, the only honest and true method of advertising is by newspapers, posters and that sort of thing, I would ask him what he thinks of such advertisement as "A Guinness a day keeps the doctor away", "Beechams pills, worth a guinea a box", and "Lightning Cough cure", which has never cured my cough, and I have tried it many times. Does the hon. Gentleman think that form of advertising more truthful and more honest than the form which reduces the normal expenditure on newspapers and posters——

Mr. MABANE: They are equally dishonest.

Mr. WILLIAMS: It seems to me that as long as we must have advertising and only honest advertising is to be permitted, we ought to know exactly what is honest advertising. We are dealing with things as they are, and not as we would like them to be. I suggest that that sort of advertising may be much more reprehensible than coupon advertising. Coupons have been in existence for 40 years. It is not a new thing. I can remember when quite a boy we bought Mother Shipton's soap. I do not know whether we bought it for the soap or the coupons. This

[Mr. Williams.]

system can only be justified as long as it costs no more but produces equal or better results than the other forms of advertising; and, further, as long as some small measure of benefit is handed on to the consumer. For the other form of advertising the consumer must pay and there is no return. I call attention to Clause 4, which would allow a discount to be paid. If my reading of the Measure is correct, any one who is wealthy enough to buy 100 articles may receive a discount, but the miserable wretch who, on account of his poverty, can buy only a unit at a time cannot have a reduction in price because it is in very small margins and has to be left to accumulate over hundreds of coupons.

Lieut.-Colonel MOORE-BRABAZON: I said at the beginning of my remarks that there was no objection to anybody redeeming coupons for cash.

Mr. WILLIAMS: I know that the hon. and gallant Member always wishes to do that which he conceives to be right, but the fact is that the person who can buy in large quantities will get his discount in the future as he has done in the past, while the poor, miserable wretch who can buy only one packet of cigarettes, or one pound of soap or a quarter of cheese will get no benefit whatever because his discount is so infinitesimal that it cannot be expressed in terms of coppers, but must be in terms of coupons. A reference has been made to unemployment, and in that connection I want to recall the argument about the watch. A company adopting the coupon method of advertising can give a manufacturer a very large order and secure each watch at a reduced price. Because the manufacturer is then producing in bulk he can turn out the same article at a less price, and sells it cheaper to the ordinary retailer. To that extent, instead of adversely affecting the retailer it is going to prove ultimately a very distinct advantage to him.

The hon. and gallant Member said "Fancy a man with a coupon securing a watch. The jeweller is going to lose all his trade." The truth of the matter is if the hon. and gallant Member secures a watch for his coupons and I secure an armchair for my coupons, with the money I save through not having to buy an armchair I may buy a watch and the hon. and gallant Member, not having to buy a watch, will be able to buy an armchair. As to the other point about the redemption of certificates, we have proof positive that 80 per cent. in some cases, and 90 or 92 per cent. in other cases, of the coupons are actually redeemed. If they are not redeemed, it is proof that the scheme is failing from the manufacturer's point of view, because the greater the redemption of coupons the more certain the manufacturer must be that his customers are being preserved and are satisfied with the goods. Because some firms have been offering small, miserable gifts imported from abroad, though 92 per cent. of the goods given in coupon trading are produced in this country, it is grossly unfair to suggest that this system of trading is dishonest, inconsistent with fair play, or is an indirect attack upon either retailer or manufacturer. This has been an irritant for long enough and there ought to be no further delay. There ought not to be any suggestion of a committee, because a committee means uncertainty. A decision ought to be taken in this House to-day. I hope that after this Amendment for rejection has been seconded, we shall proceed to a decision so as to settle the question once for all.

3.51 p.m.

Sir FRANCIS FREMANTLE: I wish to support the Amendment. I come to this subject with a more detached view than is the case, perhaps, with those hon. Members who have spoken hitherto. I will confess that, when the matter was first coming into the public eye, I was asked by my constituents for my opinion on the subject, and that my general opinion was in favour of suppressing in any way possible the coupon system. We all know through our post-bag the annoyance of the coupon system, and it occurs to us not that is is an exceptional annoyance but that it is on a par with various other forms of advertising to which reference has been made. The natural common sense of the business has always struck one strongly in this way: why should so much money be wasted upon objects which for the most part we should not want to have? Obviously, the cost must come out of the pockets either of the producer or of the consumer. My general tendency was to say that I would be in favour of a measure for restricting the coupons.

Fortunately, I did not commit myself before thinking further. It is particularly fortunate that I find myself President of the chamber of commerce in my constituency, and I have to preside over their dinner next Tuesday. I understand that some of the members are very strongly in favour of the Bill and that others are very strongly against it, and I have to take up a definite line. Naturally, I have had to think over the matter. I am very much moved by the arguments that have been brought forward to show that this question of coupon trading, which to some of us seems so wasteful, is simply a more modern form of the system of advertising. Before I go any further, I want to deal with one specific point that was raised by the hon. Member for Huddersfield (Mr. Mabane). He brought forward a suggestion that the manufacturer in the ordinary way of manufacturing goods is relieved of three-quarters of the rates on the parts of his buildings that he devotes to retail distribution, whereas the distributor of coupon gifts has to pay in full on that part of his premises. It seems that there is an element of unfairness.

It is not an important point, I am assured. It is clear that when a manufacturer gives orders for these coupon gifts to be distributed, as a general rule the orders are given for them to be distributed by the manufacturers themselves, direct from their place of business, and not from the place of business of the manufacturer of the primary product, who very seldom distribute these coupons themselves. Therefore, they have not a part of their buildings which would compare with the buildings of the coupon distributors, and the point raised by the hon. Member for Huddersfield therefore falls to the ground.

Mr. H. WILLIAMS: No, it does not.

Sir F. FREMANTLE: There are a few cases where the manufacturer does distribute direct, but I understand that only a very small part of the building is devoted to that purpose, and, therefore, there is no real incompatibility. The real question is that of the small trader. As far as I can gather from my own constituency the small trader, while he is unable to deal in coupons, has to compete with the larger firms that do so deal, and who, owing to that fact, withdraw business from the small trader. We have strong sympathy with the fears of the small trader in this respect. The case, apparently, is quite different with the large trader, because he is competing with the still larger trader who does not deal in coupons. But the small trader is really afraid of the competition of these larger firms, with the advantage that they get from coupons. That is, unfortunately, part of the general system under which the larger trader, with a larger sphere of business, is able to compete with and overwhelm the small trader.

I do not think, however, that the coupon system constitutes a sufficient part of the competition that is overwhelming the small trader to be taken seriously by this House. The small trader has either to combine with other traders so as to be able to adopt the larger measures undertaken by his competitors, or he has to go under. That is the law of future development, and we cannot stand in its way. It is suggested that this matter is so disturbing to business generally that the Government have promised a committee of inquiry—[HON. MEMBERS: "No!"] It has only been said. I hope the Government will make no such promise. The issue is straight before us, and requires no inquiry. It is as to whether the State should step in in regard to one minor part of the modern system of advertising. We know beforehand what subjects will come out at such an inquiry—the amount of employment or unemployment, whether there is honesty or not, and so on—and what the answer will be. The question will be the same as that which is before the House to-day, namely: Is this the kind of subject in regard to which the Government ought to interfere with the ordinary process of supply and demand in industry?

There is no need for an inquiry. The one thing that is being urged upon Members of my party is that we should be against D.O.R.A. in any form, but what is suggested here is the setting up of a new form of D.O.R.A. Moreover, a committee of inquiry is not a thing that costs nothing. It costs thousands of pounds, it hangs up the question for months, and probably years, and we have the definite figures of the auditors

[Sir F. Fremantle.]

who have gone into the matter showing that there are something like 20,000 or 30,000 employés directly concerned who will be thrown out of employment during that time. We must take these facts into account, and we ought not, in order to get over a temporary difficulty, to ask for a committee of inquiry. We must have the courage to decide now.

It being Four of the Clock, the Debate stood adjourned.

Debate to be resumed upon Monday next.

The remaining Orders were read, and postponed.

Whereupon Mr. SPEAKER *adjourned the House, without Question put, pursuant to Standing Order No.* 3.

Adjourned at One Minute after Four o'Clock, until Monday next, 13th March.

HOUSE OF COMMONS.

Monday, 13th March, 1933.

The House met at a Quarter before Three of the Clock, Mr. SPEAKER *in the Chair.*

ORAL ANSWERS TO QUESTIONS.

INDIA.

BURMA (BUDGET DEFICIT).

1. **Mr. GEORGE HALL** asked the Secretary of State for India what amount has been borrowed by the Government of Burma from the Government of India in respect of Budget deficit in the last financial year, and on what terms; and whether it is anticipated that further borrowings will be necessary?

The SECRETARY of STATE for INDIA (Sir Samuel Hoare): In the year ending March, 1932, the revenue receipts of the Government of Burma exceeded the expenditure charged to revenue. The first part of the question does not therefore arise. Further loan operations by the Government of Burma must clearly be dependent on future developments, which cannot be forecast.

RAILWAYS (MOTOR TRANSPORT).

2. **Mr. G. HALL** asked the Secretary of State for India whether it is the intention of the Government of India to introduce legislation giving powers to Indian railway companies to operate motor transport on parallel roads in accordance with the recommendations of their expert committee on the matter?

Sir S. HOARE: The Government of India have already introduced legislation to enable certain Indian railway companies to operate motor transport without the present restrictions. If this legislation is passed the question of extending its application to other railways will be considered.

BENARES WOMEN VOLUNTEERS.

3. **Mr. T. WILLIAMS** asked the Secretary of State for India whether the attention of the Government of India has been called to the judgment of the district magistrate at Benares in the Benares Women Volunteers case; whether an appeal has been lodged against the judgment; and, if so, whether the Government will expedite its hearing?

Sir S. HOARE: The answer to the first part of the question is in the affirmative and to the second in the negative.

Mr. WILLIAMS: Can the right hon. Gentleman say whether any action is being taken by the Government of India in regard to these cases?

Sir S. HOARE: Yes, Sir. The action that was taken went to show that there was not any ground whatever for the very grave and untrue charges that were made in this case.

GENERAL ELECTION (POSTPONEMENT).

11. **Major-General Sir ALFRED KNOX** asked the Secretary of State for India whether his attention has been drawn to an announcement made by the Viceroy at Delhi on the 6th March, postponing indefinitely the general election to the legislative assembly on the grounds that His Majesty's Government is pressing forward with plans for a federal constitution; and whether this decision had his sanction?

Sir S. HOARE: The Governor-General informed me before his announcement of his decision and I saw no reason to question it.

Sir A. KNOX: Does not an announcement like this prejudge the decision of Parliament and prejudge the decision of the native princes whether or not they come into Federation?

Sir S. HOARE: No, Sir, not in the least. The Governor-General thought that it would be common sense not to have a general election until we see what changes, if any, were to take place.

Brigadier-General Sir HENRY CROFT: Has the attention of the right hon. Gentleman been called to the fact, as reported in the Press, that the Lieutenant-Governor of Madras has stated that anyone who has studied the speeches of the Viceroy and Sir Samuel Hoare knows from them that it has been decided that provincial autonomy and central responsibility would be given

[Sir H. Croft.]
simultaneously? Will he assure the House that that is incorrect, in view of the fact that it is laid down in the Government of India Act that Parliament shall decide?

Sir S. HOARE: I have always made the position clear that Parliament must be the ultimate tribunal.

Sir A. KNOX: Does not the making of an announcement like this to 350,000,000 people prejudge the decision of Parliament? What is the use of saying that Parliament has free and unfettered discretion and what is the use of setting up the committee?

Sir S. HOARE: No, Sir. I do not agree at all. I think it was common sense to put off the election until we saw what Parliament was going to do.

Sir WILLIAM DAVISON: Did not the Viceroy go further than that and say that a Federal Assembly was going to be set up?

ASSAM (OIL REVENUE).

12. **Lieut.-Colonel Sir WALTER SMILES** asked the Secretary of State for India whether, in view of the resentment felt in Assam at the fact that Assam oil contributes heavily to the central finances but does not benefit Assam, he will take the necessary steps to remedy the position?

Sir S. HOARE: The whole question of the future allocation of Indian revenues will come up for consideration in connection with the constitutional proposals which will shortly be laid before Parliament.

Sir W. SMILES: Is the Secretary of State aware that there is a growing feeling in Assam against that Province joining the Federation unless this grievance is put right?

Sir S. HOARE: No, Sir, I was not aware of that fact, but I am prepared to take it from what my hon. Friend says. No doubt this is one of the questions which the Joint Select Committee will have to consider.

Sir W. SMILES: Has the Secretary of State seen an extract from the speech of the Assam Finance Member on the Assam Budget, last week?

Sir S. HOARE: No, Sir.

CONSTITUTIONAL PROPOSALS (JOINT SELECT COMMITTEE).

45. **Brigadier - General CLIFTON BROWN** asked the Prime Minister whether, when this House is asked to record its judgment on the White Paper proposals of the Government for Indian reform, one Motion will be moved for approval of the White Paper proposal and the setting up of a Select Committee of both Houses jointly, or whether a vote will be taken separately on each question?

The LORD PRESIDENT of the COUNCIL (Mr. Baldwin): The Government do not contemplate asking the House to approve the proposals in the White Paper, but to agree to set up a Joint Select Committee for the purpose of examining and reporting on them. There will therefore be only one vote on a Motion to this effect, but the House will, of course, be free to debate the proposals.

Mr. LANSBURY: Will the House be able to discuss the question of the position of Indians at the meetings of the Joint Select Committee; will the Indians be able to put questions to witnesses, and vote, or will they be there in the position of assessors?

Mr. BALDWIN: Perhaps the right hon. Gentleman will put that question down. I am not at this moment in a position to go further than I have done in the answer.

Brigadier-General BROWN: Will Parliament be able to approve of the proposals in the White Paper?

Sir H. CROFT: Can the right hon. Gentleman give an undertaking that at least three days will be given to discuss this question, on which a large number of Members want to take part?

Mr. BALDWIN: Three days is the time allotted.

Sir HENRY CAUTLEY: Will the House be able to discuss the composition of the Joint Select Committee?

Mr. BALDWIN: There will be another Motion on the composition of the Committee. When the House has decided, if it thinks fit to do so, to set up the Committee, there will have to be a Motion in which the names will appear, and the House will be able to discuss it.

TARIFF BOARD (COTTON).

4. **Mr. MORGAN JONES** (*for* **Mr. RHYS DAVIES**) asked the Secretary of State for India whether the Government of India propose to issue the report of the Tariff Board immediately, having regard to the widespread closure of cotton mills in India?

Sir S. HOARE: No, Sir. In accordance with the usual practice the report will not be published until a final decision on its recommendations has been taken.

Mr. JONES: How long shall we have to wait before we get the final decision?

Sir S. HOARE: I think some time, but I would not like to say exactly how long.

AFGHANISTAN (TRADE RELATIONS).

5. **Mr. M. JONES** (*for* **Mr. RHYS DAVIES**) asked the Secretary of State for India whether, in view of the imposition by the Government of Afghanistan of an embargo on foreign-made matches and soap, it is the intention of the Government of India to negotiate a trade treaty between India and Afghanistan?

Sir S. HOARE: So far as I know, the Government of India have no present intention of proposing fresh negotiations with a view to supplementing the Anglo-Afghan Treaty of 1921 and the Anglo-Afghan Trade Convention of 1923 (Treaty Series No. 19 (1922) and No. 21 (1923), respectively).

Mr. JONES: Have any representations been made to the right hon. Gentleman by the Government of India as to the deleterious effect on the cotton trade in India of the absence of a trade agreement?

Sir S. HOARE: No, Sir. There is the Trade Convention of 1923.

DELHI CONSPIRACY TRIAL.

6. **Mr. DAVID GRENFELL** asked the Secretary of State for India on what grounds the Government of India withdrew the charges in the Delhi conspiracy case; whether further action has been taken by the Government of India in the matter by proceeding against certain of the accused individually on specific charges; and whether he can state the nature of these charges, the names of the accused, and when the trial is likely to take place?

Sir S. HOARE: I would refer the hon. Member to the communique issued by the Government of India on 11th February, of which I will send him a copy. I regret I have no information of the progress made with the individual cases or the names of the accused.

WOMEN PRISONERS.

8. **Mr. D. GRENFELL** asked the Secretary of State for India whether the Government of India have received representations with regard to the inconvenience experienced by women political prisoners in being compelled to undertake night journeys on their transfer from one gaol to another; and, if so, what steps they propose to take in the matter?

Sir S. HOARE: I have not been informed of any such representations. As I stated in reply to the hon. Member for Stratford (Mr. Graves) on the 20th February the transfer of prisoners is governed by the provision of the Gaol Manuals issued by the provincial Governments. If any case of real hardship arose, it would no doubt be brought to the attention of the authorities concerned.

FOREIGN COTTON (IMPORTS).

13. **Mr. MORGAN JONES** (*for* **Mr. RHYS DAVIES**) asked the Secretary of State for India whether the Government of India have considered the recommendation of the Indian central cotton committee with regard to the levy of an import duty on non-Empire cotton; and, if so, what action it is proposed to take in the matter?

Sir S. HOARE: I have not received any communication from the Government of India on the subject.

CHINA AND JAPAN (MUNITIONS).

44. **Mr. VYVYAN ADAMS** asked the President of the Board of Trade the extent, character, and value of the licences for the export of arms and munitions to China and Japan, respectively, up to the 27th February, and similar details as to the applications for licences made since that date?

Lieut.-Colonel COLVILLE (**Secretary, Overseas Trade Department**): As the answer includes tables of figures I will

[Lieut.-Colonel Colville.]
circulate it in the OFFICIAL REPORT. Particulars of values will not be included, as it is not the practice to make public information on the subject.

Following is the statement:

Statement showing war material covered by export licences issued for China and Japan in the period 1st to 27th February, 1933.

China.	Japan.
20 ·303 rifles. 20,000 ·303 rifle cartridges. 6,000,000 7·92 m.m. rifle cartridges. 3 bomb racks. 3 bomb sights. 3 gun cameras.	Nil.

Statement showing war material in respect of which applications for export licences for China and Japan have been made since 27th February, 1933. (These applications are still under consideration.)

China.	Japan.
67,000 13·2 m.m. machine-gun cartridges.	150 7·7 m.m. machine-guns with spare parts.

14. **Mr. FLEMING** asked the Secretary of State for Foreign Affairs which foreign governments have placed an embargo on the export of arms or munitions to China or Japan?

15. **Mr. LEWIS** asked the Secretary of State for Foreign Affairs which countries have as yet followed our example in placing an embargo upon the export of arms and ammunition to China and Japan?

Mr. BALDWIN: No other country has yet placed an embargo on the export of arms and munitions to China or Japan.

Mr. FLEMING: Will my right hon. Friend tell the House what advantage this country gets from this embargo, and if there is any likelihood——

Mr. SPEAKER: That seems to be a matter of opinion.

Mr. LEWIS: How long do the Government propose to continue an embargo which has not the active support or even the expressed approval of any other civilised country?

Mr. BALDWIN: I understand that a question may be asked by Private Notice on that subject, and I have an answer.

Mr. LANSBURY (*by Private Notice*) asked the Lord President of the Council whether the Government are now in a position to make any further statement on the question of the arms embargo?

Mr. BALDWIN: Yes, Sir. The decision of the Government announced by my right hon. Friend the Foreign Secretary on 27th February, that no licences for the export of any article mentioned in the Arms Export Prohibition Order, 1931, to either China or Japan would be authorised as from that day, was, as stated at the time, a provisional arrangement pending the opportunity of international consultation and decision. Since then, the Prime Minister and the Foreign Secretary have had the opportunity of discussing this matter with the representatives of various other countries, and they have now informed us that, in their opinion, there is no prospect of any international agreement upon the subject in the near future.

In these circumstances, no useful purpose would be served by maintaining an embargo observed by this country alone, and, accordingly, the Government have decided to remove it as from to-day. At the same time, the Government remains firmly convinced that the only satisfactory solution of a problem which is bound to recur in the future, is to be found in an international agreement. Accordingly, it is their intention vigorously to pursue the conversations already begun as and when opportunity offers with the earnest desire to arrive at a form of agreement which will in the future secure uniformity of action on this important subject.

Mr. LANSBURY: May I ask the right hon. Gentleman whether the Cabinet has now decided that the Covenant of the League and the obligations under the Covenant are of no effect and that no steps can be taken to stop an aggressive war; and whether the House will have a further opportunity of discussing this very important matter; and is he aware that it is not merely a question of what this country will do on the matter of the embargo, but very much a question of whether the League of Nations becomes absolutely futile in a crisis of this kind?

Mr. BALDWIN: This country, in my view, set a great example, but, so far we have been unable to persuade anyone to follow that example and our practice now conforms to the practice of all other States whether members of the League or not. With regard to the possibility of a discussion in the House, I imagine that when the Prime Minister and the Foreign Secretary return they will probably have something to report to the House. I cannot say now in what circumstances a Debate may take place, but that, it seems to me, would be the appropriate occasion to raise the question.

Mr. LANSBURY: I only want your permission, Mr. Speaker, to put one further point. If we are to wait until the Prime Minister and the Foreign Secretary return, will they very kindly make their first statement in this House rather than through the Press?

Mr. COCKS: May I ask the right hon. Gentleman whether the Government are trying to arrive at international agreement with the object of imposing an embargo upon Japan alone or on both countries?

Mr. BALDWIN: I should have thought that the hon. Gentleman would have understood from what I have said that other countries are supplying both China and Japan.

Mr. THORNE: Having regard to the cheers which the right hon. Gentleman has had from both sides of his party, may I ask him whether they believe in what is called the legal murder of both Chinese and Japanese?

Captain PETER MACDONALD: May I ask if this attitude applies equally to the South American countries as to Japan and China?

Mr. BALDWIN: I have no further replies to give on any other subject than that of the question.

Mr. COCKS: Would the right hon. Gentleman mind answering my question?

Mr. BALDWIN: I have no details of the conversations which have taken place, but I can trust our own delegates in Geneva to do what they conceive to be their duty.

Miss RATHBONE: When the right hon. Gentleman told us that negotiations were going on with regard to the future, did he mean to imply that all hope has been abandoned of securing agreement with regard to the present Sino-Japanese dispute, or are we to understand that the negotiations still going on have reference to the Sino-Japanese dispute?

Mr. BALDWIN: I hope very much that the present dispute is practically over. The hon. Lady may take it from me that so far as my information goes there is no hope of other nations falling into line with regard to this dispute.

SOUTH AMERICA (BRITISH INVESTORS).

16. **Sir ALAN McLEAN** asked the Secretary of State for Foreign Affairs whether he will direct His Majesty's Ambassador in Rio de Janeiro to be present during further negotiations regarding the holdings of British investors in the defaulted obligations of the Brazilian provincial and municipal authorities for the purpose of representing the British investors who are out of personal touch with the negotiating financiers who sold on the London market the above-mentioned defaulted loans?

Mr. BALDWIN: The action proposed by my hon. and gallant Friend would be contrary to the practice which prevails in negotiations of this kind, and I am not prepared to sanction it. As regards the position of individual investors, it is, of course, customary to obtain the assent of individual bondholders to any arrangements proposed.

17. **Rear-Admiral SUETER** asked the Secretary of State for Foreign Affairs whether he will, in view of the hardship now being suffered by British investors in Argentine railways, direct His Majesty's Minister at Buenos Aires to ascertain whether the Argentine national and provincial authorities have yet paid their overdue debts to those railways; and, if such payment has not yet been made, will he inquire the reason for the delay?

Mr. BALDWIN: The action proposed by my hon. and gallant Friend would amount to intervention by His Majesty's Government, which, for the reasons stated in the reply to a question put by my hon. and gallant Friend on this sub-

[Mr. Baldwin.]
ject on the 6th March, has not been requested by the railway companies concerned, and would therefore be inappropriate.

RUSSIA.

LENA GOLDFIELDS, LIMITED.

18. **Sir W. DAVISON** asked the Secretary of State for Foreign Affairs whether he is now in a position to inform the House as to the further action which has been taken by His Majesty's Government to secure payment from the Russian Soviet Government of the arbitral award of approximately £13,000,000 in favour of Lena Goldfields, Limited; and the result of such action?

Mr. BALDWIN: Yes, Sir. My right hon. Friend has not hitherto made a statement on this case, but I now propose, if I may, to circulate in the OFFICIAL REPORT a statement giving the history of the case since the arbitral award of the 2nd September, 1930, and explaining the present position and the attitude of His Majesty's Government thereto.

Sir W. DAVISON: As this is a matter of importance affecting 3,000 British nationals, and there are only 52 questions on the Order Paper, may we have the statement read now, Mr. Speaker, or at the end of Questions?

Mr. BALDWIN: I am perfectly willing to read it now, although it is rather long.

At the end of Questions—

Sir W. DAVISON: On a point of Order. May I ask the Lord President of the Council if he will now read the statement which he said he would be willing to give to the House with regard to the Lena Goldfields?

Mr. SPEAKER: That is a matter for the House, and not for me.

Following is the statement:

"The Arbitration Court awarded the company compensation to the amount of some £13,000,000; but this award was ignored by the Soviet Government, and after a delay of two months His Majesty's Government were obliged to ask the latter how they proposed to implement it. The Soviet Government replied that, as they had already stated, they did not regard the Arbitration Court as competent; but the Chief Concessions Committee in Moscow, with whom the company's contract had been signed, finally suggested that they should meet representatives of the company in Berlin with a view to arriving at a settlement of the case by direct negotiation, on condition that the arbitral award was not mentioned. These negotiations, however, which began in July, 1931, broke down in September of the same year, since the company's representatives, though willing, for the sake of an early and satisfactory settlement, to accept a great reduction in the amount of compensation awarded by the Arbitration Court, were unable to obtain from the Soviet representatives anything beyond a purely derisory offer of £800,000.

The company then again applied for assistance from His Majesty's Government, and representations were accordingly made to the Soviet Government both through the Soviet Ambassador in London and through His Majesty's Ambassador at Moscow. The Soviet Government, however, still maintained that the matter was one for direct settlement between the company and the Chief Concessions Committee; and though they were warned that His Majesty's Government could not accept this point of view, and would be obliged, if no settlement were reached by other means, to claim from them the full amount of the arbitral award, it was nevertheless felt desirable, in order to explore every possibility of effecting an amicable settlement, to authorise His Majesty's Ambassador at Moscow to discuss unofficially with the then President of the Chief Concessions Committee, Monsieur Kameneff, the prospects of a settlement at a sum of £3,500,000, representing approximately the proved capital losses of the company after taking into account all counter-claims put forward on behalf of the committee. Monsieur Kameneff, however, refused even to submit to the Soviet Government any figure beyond one million pounds, which was almost as derisory as the figure of £800,000 offered at Berlin; and M. Litvinoff, the Commissar for Foreign Affairs, though urged both by His Majesty's Ambassador at Moscow and by the Secretary of State for Foreign Affairs at Geneva on the 21st July last, to make further efforts for a settlement, has refused to take any action.

One last opportunity of settling the case seemed to have arrived when the Soviet Ambassador in London represented last month that it would be unfortunate if public agitation on this question were to revive during the continuance of the present Anglo-Soviet commercial negotiations. My right hon. Friend then informed His Excellency that it lay with the Soviet Government to prevent that danger by offering an early and satisfactory settlement, which would effectively contribute to that spirit of confidence in the relations between the two countries which it is the object of the negotiations to promote, and requested him to warn them that in default of an offer of such a settlement he would be obliged to make a public statement on the lines of that which I am now making.

Since, however, no such offer has been received from the Soviet Government, the situation necessarily reverts to that reached prior to the direct conversations between the company and the Chief Concessions Committee and the subsequent negotiations for a settlement without reference to the award; and the payment to be claimed is the full amount specified in the award, namely, £12,965,000."

BRITISH SUBJECTS (ARRESTS).

Sir NICHOLAS GRATTAN-DOYLE (*by Private Notice*) asked the Secretary of State for Foreign Affairs whether he has any information concerning the reported raids on the offices of the Metropolitan Vickers Company, Limited, in Moscow, and of the arrest of prominent officials of that company.

Mr. BALDWIN (*for* **Sir JOHN SIMON**): Yes, Sir. I have received reports to this effect, and am already in communication with His Majesty's Ambassador at Moscow on the subject. I cannot say anything further at present.

Sir N. GRATTAN-DOYLE: Has the right hon. Gentleman any information in regard to the raids made on the company's offices in Leningrad?

Mr. BALDWIN: No, I have given the House all the information which I have at present.

CZECHOSLOVAKIA, RUMANIA AND YUGOSLAVIA (TREATY).

19. **Lieut.-Colonel MOORE** asked the Secretary of State for Foreign Affairs what action His Majesty's Government proposes to take in regard to the Little Entente pact recently announced, seeing that this pact is an infringement of Article 20 of the Covenant of the League of Nations?

Mr. BALDWIN: None, Sir. In view of the explicit terms of Article 10 of the Pact of Organisation of the Little Entente, which were quoted by my right hon. Friend in the reply given to my hon. Friend the Member for Flintshire (Mr. Llewellyn-Jones) on the 8th March, it should be obvious that there is no occasion for any action on the part of His Majesty's Government.

BRITISH AIRCRAFT (CHINA).

21. **Mr. NUNN** asked the Secretary of State for Foreign Affairs whether the London Purchasing Commission, set up under the China Indemnity (Application) Act, 1931, have made any purchases of British aircraft for use in China; and, if not, whether he will cause the merits of British aircraft to be brought to the notice of the Chinese Government?

Mr. BALDWIN: My right hon. Friend has no information of any such purchases. As regards the second part of the question, action has been regularly taken in this sense for some years, and will continue to be taken as opportunity offers.

26. **Mr. NUNN** asked the Secretary to the Overseas Trade Department whether his attention has been drawn to the efforts of the Chinese Government to develop the use of aircraft as an efficient means of transport in the absence of adequate railway and road communication; and, in view of the activities of American and German firms, what steps he is taking to bring the superior quality of British aircraft to the notice of the Chinese Government?

Lieut.-Colonel COLVILLE: The answer to the first part of my hon. Friend's question is in the affirmative. The Department of Overseas Trade loses no opportunity of bringing the superior quality of British aircraft to the notice of the Chinese Government.

NAVAL AND MILITARY PENSIONS AND GRANTS.

22. **Mr. HICKS** asked the Minister of Pensions the number of men suffering from war disabilities who have been referred to their panel doctor for treatment; and what is the attitude of his Department to the representations made by the British Medical Association protesting against the practice of referring men suffering from disabilities other than wounds to their panel doctors for treatment?

The MINISTER of PENSIONS (Major Tryon): I have no record of the number of men for whom no special treatment by the Ministry, or treatment other than such as their own medical attendant can give them, is found to be necessary. No representations have been received from the British Medical Association on this matter in regard to which there has been no change of policy.

23. **Mr. McENTEE** asked the Minister of Pensions what hospitals are now maintained by the Ministry of Pensions and where they are situated; and whether any hospitals maintained by the Ministry have been closed since 1st January, 1932?

Major TRYON: As the answer involves considerable detail, I will, with the hon. Member's permission, circulate the particulars in the OFFICIAL REPORT.

Following are the particulars:

The following hospitals are now maintained entirely by the Ministry of Pensions:

Edenhall, situated at Musselburgh, Edinburgh.

Dunston Hill, situated at Newcastle.

Chapel Allerton, situated at Leeds.

Mossley Hill, situated at Liverpool.

Maghull, situated at Liverpool.

Cosham, situated at Portsmouth.

Orpington, situated at Orpington, Kent.

Latchmere, situated at Kingston, Surrey.

Leopardstown Park, situated at Dublin.

Rookwood, situated at Cardiff.

Chepstow Hospital, situated at Monmouth.

One hospital—Highbury, Birmingham—was closed on the 9th January, 1932, and Maghull Hospital, Liverpool, will be given up by the Ministry on the 31st instant, when the Chepstow Hospital now undergoing alterations will be reopened for the reception of patients of the class formerly dealt with at Maghull.

In addition to the hospitals above enumerated there are 19 hospitals not under the control of the Ministry in which either the entire accommodation or some part of it is reserved for Ministry patients who are maintained by a capitation rate at the cost of the Ministry.

TRADE AND COMMERCE.

TRADE COMMISSIONERS AND COMMERCIAL COUNSELLORS.

25. **Mr. GLEDHILL** asked the Secretary to the Overseas Trade Department the qualifications necessary for the post of senior trade commissioner and commercial counsellor?

Lieut.-Colonel COLVILLE: The qualifications most essential are sound judgment and general experience, backed up if possible by knowledge of the market and of the language. The Commercial Diplomatic and the Trade Commissioner services are organised as services and, therefore, the senior posts are normally filled by promotion of officers within the service who have given evidence of their suitability for promotion. Only exceptionally, when the interests of the public service so require, are appointments made from outside.

Mr. PIKE: Can the Minister say what business qualifications these gentlemen possess?

Lieut.-Colonel COLVILLE: That raises a wide question. General experience is certainly taken into account when making these appointments.

Mr. KIRKPATRICK: Are these officers primarily under the Foreign Office or the Department of Overseas Trade?

Lieut.-Colonel COLVILLE: The Department of Overseas Trade. The Department of Overseas Trade handle the Commercial Diplomatic Service as well as the Trade Commercial Service.

IMPORTS (ANALYSED STATEMENT).

40. **Mr. CHORLTON** asked the President of the Board of Trade whether with a view to accelerating the taking up of new industries in this country, now paid for as imports, he will issue an analysed statement of imports with recommendations?

The PARLIAMENTARY SECRETARY to the BOARD of TRADE (Dr. Burgin): The official statistics which are published monthly and annually provide an analysis of the imports into this country. Many industrial interests, foreign as well as British, have under close examination the question of manufacture in this country of goods at present imported from abroad and any assistance which can be given by my Department is, of course, available, but I do not think that a statement of the kind mentioned by my hon. Friend is called for.

Mr. CHORLTON: There are many industries of a smaller nature to whom greater detail than is given in the ordinary Board of Trade returns would be of great assistance. Can the hon.

Member see his way to extend the information with the specific object of encouraging new industries?

Dr. BURGIN: We will bear everything in mind.

WOOLLEN AND WORSTED EXPORTS (SWITZERLAND).

41. **Mr. MABANE** asked the President of the Board of Trade whether he is in a position to make a further statement with regard to the embargo imposed by Switzerland on the importation of woollen and worsted tissues of over 300 grammes to the square metre?

Lieut.-Colonel COLVILLE: I have received various representations in regard to the restrictions in question and am calling for a report on the subject from His Majesty's representative at Berne.

FALSTER ZEALAND BRIDGE CONTRACT.

42. **Mr. MABANE** asked the President of the Board of Trade whether the contract provisionally secured by Messrs. Dorman Long for the erection of the Falster Zealand Bridge for the Danes has been finally settled; and, if not, what difficulties are standing in the way?

Lieut.-Colonel COLVILLE: It is understood that representatives of the firm which has obtained the provisional contract are proceeding to Denmark to discuss technical details with the responsible Danish authorities. In the meantime, the financial aspects of the matter are being considered both in this country and in Denmark by the parties concerned.

Mr. MABANE: Is it a fact that the attitude of the Bank of England towards foreign lending is creating difficulties in connection with this contract?

Lieut.-Colonel COLVILLE: That is a matter upon which I could not pronounce.

COUPON TRADING.

43. **Lieut.-Colonel MOORE-BRABAZON** asked the President of the Board of Trade whether he can see his way to have the question of coupon trading investigated by a Departmental Committee?

Dr. BURGIN: My right hon. Friend is proposing to appoint a Departmental Committee to inquire into this question. The composition and terms of reference of the Committee will be announced in due course. My hon. and gallant Friend will understand that the Government must retain complete discretion in regard to any recommendations that the Committee may make.

Mr. HERBERT WILLIAMS: As there are in my constituency several hundreds of people earning their livelihood by making gifts, I wonder whether the Government have considered the certainty that large numbers of orders will be cancelled while the matter is under consideration, and whether the Government will reconsider their decision to appoint a Committee?

Mr. MORGAN JONES: May I ask whether the Government have taken into consideration the strong expression of opinion in the House on Friday last against the appointment of a Committee?

Dr. BURGIN: My right hon. Friend has certainly taken into account the views expressed in the Debate on Friday, but his view is that the problem cannot be disposed of in two or three hours on a Friday afternoon, and that a problem remains which should be inquired into.

Mr. GODFREY NICHOLSON: Will the Parliamentary Secretary give us the reasons of the right hon. Gentleman for setting up this Committee?

Sir JOHN HASLAM: Will the hon. Member take care that representatives of retailers are on the Committee?

Dr. BURGIN: The matter shall be borne in mind.

AGRICULTURE.

WHEAT DEFICIENCY PAYMENTS, ESSEX.

28. **Mr. LEWIS** asked the Minister of Agriculture the amount that has been paid to farmers in the County of Essex by the Wheat Commissioners by way of wheat subsidy up to the latest available date?

The MINISTER of AGRICULTURE (Major Elliot): The Wheat Commission have paid sums totalling £84,216 to registered growers in Essex on account of the deficiency payments to which they will become entitled in respect of wheat certificates lodged with the Commission up to 30th November last. As announced recently, the Commission propose to

[Major Elliot.]
make, on or about the 25th March, a further advance in respect of certificates received between 1st December and 28th February.

Mr. THORNE: Can the right hon. Gentleman say the number of farmers affected?

Major ELLIOT: I must have notice of that question.

MARKETING SCHEMES.

32. **Mr. T. WILLIAMS** asked the Minister of Agriculture how many marketing schemes have been produced, or are in course of preparation, under the Agricultural Marketing Act, 1931?

Major ELLIOT: One scheme is in operation under the Agricultural Marketing Act, 1931. Notices of the submission of five schemes have been published under Section 1 (1) of the Act, but the schemes have not yet been formally approved. Two other schemes have been prepared and I understand are likely shortly to be submitted, and two are in course of preparation by reorganisation commissions. This information covers Scotland as well as England and Wales. It is possible that other schemes may be in course of preparation by the producers interested.

Mr. WILLIAMS: Can the right hon. and gallant Gentleman say to which commodities the nine schemes in course of preparation apply?

Major ELLIOT: The scheme in operation relates to hops; notice of submission but not approved, pigs, raspberries, milk—these latter two affect Scotland only—prepared for submission, milk (England and Wales), potatoes (Great Britain); in course of preparation by the Reorganisation Commission, fat stock (England and Wales), fat stock (Scotland).

33. **Mr. WILLIAMS** asked the Minister of Agriculture the annual value of the crops which are being marketed under a scheme formulated under the Agricultural Marketing Act, 1931?

Major ELLIOT: The hop crop of 1932 is the only crop which is being marketed under a scheme formulated under the Agricultural Marketing Act, 1931. The estimated annual value of the crop during the last five years has fluctuated between £1,000,000 and £2,500,000.

FLAX.

34. **Mr. ROSS TAYLOR** asked the Minister of Agriculture if the Ministry is in a position to furnish information and advice to farmers and others in East Anglia in regard to the cultivation of flax?

Major ELLIOT: I am sending my hon. Friend a copy of a leaflet published by the Ministry dealing with the cultivation of flax for fibre. The leaflet is issued free in response to inquiries for information on this subject. As indicated, however, in the reply which I gave on 23rd February to a question by my hon. Friend the Member for Ormskirk (Sir S. Rosbotham), it is doubtful whether, at present prices for seed and fibre, flax can be grown or manufactured in Great Britain on an economic basis.

WHEAT ACREAGE.

30. **Mr. WALTER REA** (*for* **Mr. GRAHAM WHITE**) asked the Minister of Agriculture what was the area under wheat in Great Britain prior to the enactment of the wheat quota; and what is the area sown to wheat this year?

Major ELLIOT: The area returned as under wheat in Great Britain on 4th June, 1931, was 1,246,725 acres, and in 1932, 1,340,016 acres. It has been estimated that at the end of last December the area sown to wheat in England and Wales was about 17 per cent. greater than at the end of 1931, while, according to information in the possession of the Department of Agriculture for Scotland, it is probable that there will be an increase of about 18,000 acres—about 34 per cent.—in the total area under wheat in Scotland this year as compared with last.

Sir H. CROFT: Does my right hon. and gallant Friend attribute this increase of acreage largely to the depression in the barley-growing side of agriculture, and is he not of opinion that that is going to be intensified in the near future?

Major ELLIOT: It is attributable rather to the operation of the quota.

Brigadier-General BROWN: Does that statement include the spring sowing of wheat?

Major ELLIOT: Up to the end of last December.

Mr. H. WILLIAMS: On the basis of the normal yield, does my right hon. and gallant Friend anticipate that this will carry the crop beyond the 27,000,000 cwts., which is the maximum provided?

Major ELLIOT: I think the wheat area has to increase by 35 per cent. over the 1932 acreage before the limit of 6,000,000 qrs. can be reached.

POST OFFICE (TELEPHONISTS).

36. **Mr. McENTEE** asked the Postmaster-General the number of telephonists employed in London and the provinces, respectively, in 1931 and 1932?

The POSTMASTER-GENERAL (Sir Kingsley Wood): The numbers of established telephonists, men and women, employed on the 31st December, 1931 and 1932, respectively, in London and the Provinces, were:

London	8,820	8,247
Provinces	9,521	9,157

Mr. McENTEE: Can the right hon. Gentleman say whether the reduction is due to the introduction of automatic telephones?

Sir K. WOOD: I stated some weeks ago that I anticipated that it would be possible to absorb in other exchanges the staff rendered redundant as a result of the conversion to automatic working, and I understand that this generally has been followed. As regards 280 of the telephonists in 1931, they were regraded as telegraphists in 1932.

Sir FRANCIS FREMANTLE: Should not the right hon. Gentleman pronounce the word "telephōnist" and not "telephŏnist"?

Sir K. WOOD: No, Sir.

TRADE UNIONS (MEMBERSHIP).

37. **Mr. LEWIS** asked the Minister of Labour the total number of members of trade unions in Great Britain and Northern Ireland in the year 1920 and the year 1930, respectively?

The MINISTER of LABOUR (Sir Henry Betterton): The total membership of all trade unions in Great Britain and Northern Ireland at the end of 1920 was about 8,339,000; at the end of 1930 it was about 4,824,000.

Mr. THORNE: Do these figures refer only to trade unionists who were registered, or do they take into account trade unionists who are not registered?

Sir H. BETTERTON: I am not quite sure; I think only to registered trade unionists. Perhaps the hon. Member will put the question down.

Mr. GRENFELL: Do these figures show the number of trade unionists who have fallen out of employment?

Sir H. BETTERTON: Again, the hon. Member must be good enough to put the question down.

Mr. HICKS: Is it not the case that the large number of trade unionists in 1920 was due to the introduction of industries during the period of the War?

Mr. CHARLES WILLIAMS: Is not this largely the result of the failure of the policy of the general strike?

DISARMAMENT CONFERENCE (AIR FORCE).

46. **Captain HAROLD BALFOUR** asked the Prime Minister if he will give an assurance that the Government during the present Disarmament Conference still intend to insist on the reservation of an adequate air force for police duties in overseas possessions and mandated territories; and whether the activities of any such force would be limited to the maintenance of internal law and order and thus be precluded from use in the event of aggression of any such territory from without?

Mr. BALDWIN: It is certainly the intention of His Majesty's Government to provide for an adequate air force for police duties overseas and in outlying places as stated in their declaration of policy on 17th November last. The answer to the second part of the question must necessarily depend upon the provisions of the Disarmament Convention.

Captain BALFOUR: Would my right hon. Friend give an assurance that the Air Force will be able to continue their

[Captain Balfour.]
work of protection from outside aggression of such territories as Iraq and Aden?

Mr. BALDWIN: I do not think there is any immediate hurry as to the conclusions that may be arrived at by the Disarmament Conference.

IMPERIAL CIVIL AVIATION (DEVELOPMENT).

47. **Captain BALFOUR** asked the Prime Minister if he is satisfied that the necessity of securing for the peoples of the world immunity from air attacks can be achieved by adherence to the Government's proposals as laid down in the White Paper of November last without retarding the full commercial development of Imperial civil aviation?

Mr. BALDWIN: My hon. and gallant Friend will remember that what His Majesty's Government proposed on 17th November was a thorough examination of the practicability of an effective international control of civil aviation. As made clear by my Noble Friend the Secretary of State for Air, in his speech at Geneva on the 20th February last, international control must not prevent or hamper the fullest development of aviation in every country for civil and commercial purposes, nor must it restrict freedom in the realm of experiment and research.

DOGS (DISTEMPER INOCULATION).

48. **Mr. H. WILLIAMS** asked the Lord President of the Council what steps are being taken to give publicity to the successful inoculation treatment for the prevention of distemper in dogs which has been discovered as the result of the investigations of the Medical Research Council?

Mr. BALDWIN: A statement signed by the Duke of Portland and other members of the "Field" Distemper Council which supported the researches has been very widely published in the Press, and I am advised that full accounts of the work and its results have been communicated to the veterinary profession through the medium of the technical journals. The preparations used are now available commercially and are advertised.

Mr. WILLIAMS: Would not this research work have been impossible if the Dogs Protection Bill had been passed into law?

Mr. BALDWIN: I believe it would have been quite impossible.

SWEEPSTAKES.

50. **Mr. CLARRY** asked the Secretary of State for the Home Department whether he has considered the documents which have been sent to him relative to the sweepstake in aid of the Humanitarian Rescue Workers' Organisation; and if he contemplates any action in the matter?

The SECRETARY of STATE for the HOME DEPARTMENT (Sir John Gilmour): My attention had already been drawn to the scheme for a Grand National and Lincolnshire draw promoted by this organisation, and I am informed by the Commissioner of Police that proceedings are now pending against the organisers and the printers of the tickets.

51. **Mr. CLARRY** asked the Home Secretary whether he is prepared to introduce legislation designed to inflict more severe penalties upon dishonest sweepstake promoters whose continued activities are directed to the exploitation of the poorer classes?

Sir J. GILMOUR: Any legislation on this subject must await the final report of the Royal Commission on Lotteries and Betting.

Mr. CLARRY: Is it not possible to discriminate between purely technical breaches of the law where there is a chance given to investors, and those which are purely swindles in which there is not a sporting chance for the persons investing?

Sir J. GILMOUR: These things are all very closely watched. If there is any indication of a swindle, the police have instructions to look carefully into it.

DEATH DUTIES (INSURANCE).

52. **Sir W. DAVISON** asked the Chancellor of the Exchequer whether, in view of the serious drain on the capital resources of the country by reason of the capital levies made by Death Duties, he

will consider the desirability of encouraging taxpayers to take out insurance by means of an annual payment out of income to meet the estimated amount of the duty payable out of capital on their death by providing that the amount of such insurance, not exceeding the amount of duty, shall not be taken into consideration in the valuation of the estate for Death Duties?

The FINANCIAL SECRETARY to the TREASURY (Mr. Hore-Belisha): This matter is one with which, I hope my hon. Friend will admit, it is impossible to deal adequately within the limits of a Parliamentary answer. As my hon. Friend knows, his suggestion has been considered by this House on many occasions, but, apart from objections on principle, the cost to the Exchequer has always made it impossible for it to be accepted.

Sir W. DAVISON: Does my hon. Friend not recognise the unfairness, when a man insures for a sum of money in order to pay his Death Duties, that that sum should be added to his estate, and that he has to pay Death Duties thereon? Is not that obviously unfair, and is it not desirable that the State should get rid of this continuous capital levy, which is not in the national interest?

Mr. HORE-BELISHA: My hon. Friend will see that his proposal would give a preference to a particular kind of saving, but, as I tell him, it is not possible to debate the matter by question and answer.

FEDERATED MALAY STATES (INDIANS).

7. **Mr. D. GRENFELL** asked the Secretary of State for India whether the attention of the Government of India has been called to the grievances of the Indian community in the Federated Malay States, recently presented in a memorandum to Sir Samuel Wilson; and, if so, what action they propose to take in the matter?

Sir S. HOARE: I have no information.

BRITISH BROADCASTING CORPORATION.

35. **Mr. DORAN** asked the Postmaster-General, if he will, under Clause 16, Subhead IV, of the charter, authorise a firm of qualified and impartial accountants to examine the accounts of the British Broadcasting Corporation with a view to ascertaining and reporting how the Corporation utilises moneys derived from the sale of its publications, playing of gramophone records, and public concerts?

Sir K. WOOD: The annual accounts of the British Broadcasting Corporation are audited by a firm of Chartered Accountants approved by me, as laid down in Clause 16 (1) of the Corporation's Charter. The accounts are then examined by the Comptroller and Accountant-General of the Post Office and are laid before Parliament. I do not consider it necessary to institute any further investigations.

CINEMATOGRAPH FILM INSTITUTE (FUNDS).

49. **Sir J. HASLAM** (*for* **Mr. ROBINSON**) asked the Home Secretary whether he has any information as to the amount of money accumulated since 1st February and available for the use of the Cinematograph Fund and the Film Institute?

Sir J. GILMOUR: No, Sir. No information as to these amounts will be available until the first quarterly payments have been made by licensing authorities to the Privy Council after the end of this month.

ALDWARKE COLLIERY, ROTHERHAM (ACCIDENT).

Mr. DOBBIE (*by Private Notice*) asked the Secretary for Mines whether he has any statement to make regarding the disaster last Friday at the Aldwarke Colliery, Rotherham?

The SECRETARY for MINES (Mr. Ernest Brown): I very much regret to have to inform the House that two lives were lost on Friday morning at Aldwarke Main Colliery as a consequence of an inrush of water which resulted from a holing into a relatively small reservoir that had accumulated in the waste against a fault. Investigations are still proceeding and, I understand, the inquest is to be held to-day. The House will join with me in expressing deep sympathy with the bereaved and relief at the escape of a number of men working in the district.

WRITTEN ANSWERS.

ROADS AND SCAVENGING (EXPENDITURE, LOCAL AUTHORITIES).

Mr. MORGAN JONES asked the Minister of Health whether the expenditure incurred by local authorities on highways and bridges in respect of administrative and other general expenses, and cleansing of streets and gullies, watering, snow clearing, etc., is admitted by his Department for the block grant under the Local Government Act, 1929; and, if so, what is the percentage of the grant under these two headings, respectively?

Sir H. YOUNG: Yes, Sir; but in arriving at the amount of the grant the expenditure on individual services is not ascertained, and no portion of the grant can be allocated to the headings given.

COAST EROSION, BEMBRIDGE.

Mr. DINGLE FOOT asked the Minister of Agriculture whether he has considered a communication sent to him respecting coast erosion at Whitecliff Bay, at Bembridge, in the Isle of Wight; whether his Department is in a position to give advice on specific questions referred to them respecting coast erosion; and whether, in view of the urgency of the matter and the important interests affected, he is willing to send an expert to examine the position?

Major ELLIOT: I have considered the communication referred to. It is not the responsibility of my Department to offer advice in such cases, and in the circumstances of the present case I suggest that the proper course for the person whose interests are principally affected to adopt would be to consult an engineer in private practice.

HOUSING.

RECONDITIONING, URBAN AREAS.

Mr. HALL-CAINE asked the Minister of Health if he will make inquiries as to whether the urban district councils are prepared to take over the operation of the Acts providing for the reconditioning of rural houses; and whether he will by legislation take power to call for annual returns of all work of this nature undertaken or contemplated?

Mr. SHAKESPEARE: The Housing (Rural Workers) Acts, 1926 and 1931, apply only to cottages occupied by agricultural workers or persons of substantially the same economic condition. They are already in operation in urban as well as in rural districts, and where the circumstances warrant this, urban district councils are or can be made local authorities for the purposes of these Acts. Quarterly returns of progress made under the Acts are already furnished to my Department, and no further statutory powers than those at present existing are necessary for the purpose of calling for such returns.

STATISTICS (SCOTLAND).

Sir A. SINCLAIR asked the Secretary of State for Scotland how many houses, other than houses built under slum-clearance schemes, were erected in Scotland during the 12 months ended 28th February, 1933; how many of these were let at rents of less than £30 per annum, excluding occupier's rates; how many at less than £25 per annum; how many at less than £17; and how many of the houses in each of these categories were built with the help of subsidies provided under the Housing Act, 1923; how many under the Act of 1924; how many under other Acts; how many without the aid of any subsidies; and how many by private enterprise, with the assistance of the £9 subsidy, under the Housing Act, 1924?

Sir G. COLLINS: The number of assisted houses other than houses built under slum clearance schemes erected in Scotland during the 12 months ended 31st January, 1933 (the latest period for which statistics are available) was 10,651, of which 6,553 were erected by local authorities and 4,098 by private enterprise, 3,262 of the latter being under the Act of 1923 and the remaining 836 being under the Act of 1924. The number of unassisted houses erected during the 12 months ended 31st December last (the latest period for which statistics are available) was 1,726, all of which were erected by private enterprise. Particulars of rents are available only for houses erected by local authorities. As regards the above 6,553 houses all of which were erected by local authorities under the Act of 1924, complete particulars of the rents are not yet available but it is known that the rents of 5,515 of these houses fall within the rental catgories (exclusive of occupiers' rates) mentioned in the question, namely:—

Annual rent under £30 but not less than £25—1,454 houses.

Annual rent under £25 but not less than £17—3,083 houses.

Annual rent under £17—978 houses.

Sir A. SINCLAIR asked the Secretary of State for Scotland the number of slum-clearance houses under construction and approved on the 1st day of January in each year from 1925 to 1932 and on the 1st day of each month since January, 1932?

Sir G. COLLINS: The numbers of slum clearance houses in course of construction and approved under the Housing Acts of 1923 and 1930 respectively at the dates in question were as follow:

Slum Clearance Houses in course of construction and approved.

Date.	Under Housing, etc. Act, 1923.		Under Housing (Scotland) Act, 1930.		Total.	
1.	Under construction. 2.	Approved during period.* 3.	Under construction. 4.	Approved during period.* 5.	Under construction. 6.	Approved during period.* 7.
1st January, 1925 ...	1,834	1,436	—	—	1,834	1,436
1st January, 1926 ...	2,891	2,423	—	—	2,891	2,423
1st January, 1927 ...	2,512	2,169	—	—	2,512	2,169
1st January, 1928 ...	2,985	2,870	—	—	2,985	2,870
1st January, 1929 ...	2,683	1,644	—	—	2,683	1,644
1st January, 1930 ...	1,782	1,732	—	—	1,782	1,732
1st January, 1931 ...	1,860	1,663	250	512	2,110	2,175
1st January, 1932 ...	1,087	409	3,322	5,476	4,409	5,885
1st February, 1932 ...	1,063	154	3,500	154	4,563	308
1st March, 1932	1,012	—	3,715	423	4,727	423
1st April, 1932	1,014	69	4,066	601	5,080	670
1st May, 1932	957	6	4,558	851	5,515	857
1st June, 1932	882	—	4,985	711	5,867	711
1st July, 1932	812	228	4,994	980	5,806	1,208
1st August, 1932	784	—	5,740	405	6,524	405
1st September, 1932 ...	732	10	6,250	493	6,982	503
1st October, 1932	701	—	6,476	817	7,177	817
1st November, 1932 ...	709	24	7,098	937	7,807	961
1st December, 1932 ...	750	66	6,983	736	7,733	802
1st January, 1933 ...	654	—	7,098	526	7,752	526
1st February, 1933 ...	665	606	7,531	690	8,196	1,296

* The period covered by the figures in columns 3, 5 and 7 is the twelve months preceding the 1st January in the years, 1925 to 1932 inclusive, and the month preceding the dates shown subsequent to the 1st January, 1932.

Sir A. SINCLAIR asked the Secretary of State for Scotland the number of houses under construction in Scotland on 1st October, 1930, 1931 and 1932, and the number on the 1st day of each month since October, 1932; and the number of houses approved but not begun on the same dates, distinguishing in the case of houses approved since 15th December between those which are to receive a £3 subsidy and those which are to receive higher subsidies?

Sir G. COLLINS: All the houses approved for erection in Scotland since 15th December, 1932, being covered by proposals submitted prior to that date, will qualify for the higher subsidies at present available. The numbers of assisted houses under construction and the numbers approved but not begun at the dates mentioned are as follow:

Number of Assisted Houses.

Date.	Under construction.	Approved but not begun.
1st October, 1930	9,310	3,925
1st October, 1931	13,315	5,506
1st October, 1932	18,180	7,007
1st November, 1932	18,514	7,869
1st December, 1932	19,055	11,075
1st January, 1933	19,732	11,045
1st February, 1933	21,325	10,787

Note.—No information is available as to the number of houses under construction or proposed to be built without State assistance at the dates mentioned.

Sir A. SINCLAIR asked the Secretary of State for Scotland the number of county councils in Scotland who were operating the Housing (Rural Workers) Act on 1st March, 1932, and 1st March, 1933, distinguishing in each case between those operating it in whole and those which have revised their schemes since they were first framed, with a view to limiting their financial liabilities?

Sir G. COLLINS: So far as I am aware, all the county councils in Scotland, with the exception of those shown below, were, at the dates mentioned, operating their schemes under the Housing (Rural Workers) Acts, 1926 and 1931, as originally framed. The exceptions referred to are:

County.	Position at 1st March, 1932.	Position at 1st March, 1933.
Angus	Original scheme in operation	Original scheme in operation but subsidy reduced.
Argyll	Original scheme in operation but subject to maximum annual commitment.	Same as at 1st March, 1932.
Berwick	Original scheme suspended	Same as at 1st March, 1932.
Caithness	Original scheme suspended save for urgent cases.	Same as at 1st March, 1932.
Inverness	Original scheme in operation	Scheme suspended.
Moray	Original scheme in operation	Original scheme in operation but subsidy reduced.
Orkney	Original scheme in operation but subsidy reduced.	Same as at 1st March, 1932.
Ross and Cromarty.	Original scheme suspended	Original scheme in operation but subject to maximum annual commitment.
Roxburgh	Original scheme in operation but subsidy reduced.	Original scheme in operation but subsidy further reduced.
Sutherland	Original scheme in operation but subject to maximum annual commitment.	Same as at 1st March, 1932.
Zetland	Original scheme suspended	Same as at 1st March, 1932.

Sir A. SINCLAIR asked the Secretary of State for Scotland how many houses were constructed in Scotland under the Rural Housing Act, 1931; the total amount of subsidies paid or to be paid in respect of these houses; and the highest and the lowest subsidy paid or to be paid in respect of any house constructed under this Act?

Sir G. COLLINS: No houses have yet been completed and therefore no State subsidy has yet been paid under the Housing (Rural Authorities) Act, 1931. The Department of Health for Scotland, up to date, have promised subsidies amounting, with those payable under the Act of 1924, to £6,954 per annum for 40 years and have approved tenders for the erection of 360 houses under the Act. As regards the last part of the question, the highest annual State subsidy promised is £24 10s. per house and the lowest at £14 15s. In both cases these amounts include the subsidy of £12 10s. under the Act of 1924.

Sir A. SINCLAIR asked the Secretary of State for Scotland in respect of how many houses in Scotland certificates have been granted approving assistance by way of loan and how many approving assistance by way of grant under the Housing (Rural Workers) Act, 1926, in each of the last eight months?

Sir G. COLLINS: The returns furnished by local authorities under the Housing (Rural Workers) Act are quarterly, and I regret that I am therefore not in a position to give the information desired for each of the last eight months. Following, however, are the numbers of houses in respect of which loans and grants were approved during each of the three latest quarters for which information is available.

Quarter.	Loans.	Grants.
Approved in quarter ended the 30th June, 1932.	No houses	771 houses.
Approved in quarter ended the 30th September, 1932.	13 houses	735 houses.
Approved in quarter ended the 31st December, 1932.	11 houses	667 houses.

DAIRY PRODUCE (IMPORT RESTRICTIONS).

Mr. LAMBERT asked the Minister of Agriculture if he can make any statement relating to imports of dairy produce from Australia and New Zealand?

Major ELLIOT: The position with regard to this matter remains as indicated in the reply I gave on 6th March to a question by my right hon. Friend.

TYNE FISHERY (CONFERENCE).

Mr. DENVILLE asked the Minister of Agriculture whether he is prepared to take action at an early date upon the report of the joint committee of local authorities and Tyne Fishery Board?

Major ELLIOT: I have consulted my right hon. Friend the Minister of Health and, if a representative conference of local authorities is arranged as suggested in the report, we are prepared to instruct officials of our respective Departments to attend as therein recommended.

CROWN TENANTS (RENTS).

Mr. HALL-CAINE asked the Minister of Agriculture whether any applications for a reduction of rents have been made by any Crown tenants of urban property; and, if so, what decision has been reached?

Major ELLIOT: As regards ground rents in Regent Street, I would refer my hon. Friend to the answer which I gave on 16th February last to a question by the hon. Member for Walthamstow West (Mr. McEntee). In the last year applications for reduction of rent have been received from 10 lessees of premises in other parts of London held on leases for seven years or more, and in six of these cases temporary abatements have been allowed with Treasury authority. In 11 cases short tenancies of business premises have been renewed at reduced rents. Reductions have been made in the rents of working-class houses and tenements let on weekly tenancies on the Cumberland Market Estate, but I regret that I cannot give the exact number of cases.

UNEMPLOYMENT.

REDHILL AND DORKING.

Mr. TOUCHE asked the Minister of Labour the principal trade categories of persons registered as unemployed at the Employment Exchanges at Redhill and Dorking, respectively?

Sir H. BETTERTON: The following table gives an industrial analysis of the numbers of insured persons recorded as unemployed at the Redhill and Dorking Employment Exchanges at 20th February, 1933.

Industry.	Males	Females.	Total.
		Redhill.	
Building	216	—	216
Public Works Contracting.	70	—	70
Distributive Trades ...	48	13	61
Railway Service ...	33	—	33
General Engineering...	24	—	24
Other Industries and Services.	178	13	191
		Dorking.	
Building	144	1	145
Distributive Trades ...	24	15	39
Hotel and Boarding House, etc. Service.	8	12	20
Public Works Contracting.	17	—	17
Other Industries and Services.	64	11	75

GOVERNMENT POLICY (WAGE SUBSIDY).

Mr. SMEDLEY CROOKE asked the Minister of Labour if he has considered the particulars of the scheme submitted to him which has been initiated by Sir Harold Bowden with a view to providing work on a national basis in relief of unemployment; and whether, in view of the urgency of the matter, he will say what action he proposes to take?

Sir H. BETTERTON: This scheme is one of a number which have been suggested with the object of using unemployment pay as a subsidy to wages. The danger of such an arrangement is that by placing a premium on the employment of persons carrying the subsidy and thereby discouraging engagements at ordinary wages, it may tend to increase rather than reduce the burden of unemployment. For this reason schemes of this kind have been rejected in the past, but, in view of the general interest which is being taken in the matter, I am having the whole matter again examined, in order to see whether any scheme free from this danger can be devised. I should add that no action could be taken without legislation.

EMPLOYMENT (SOUTH WALES).

Dr. J. WILLIAMS asked the Minister of Labour (1) the number of employed persons in the mining industry in 1921, 1931 and 1932 in Carmarthenshire, Glamorgan, Monmouthshire and Breconshire, respectively;

(2) the number of employed persons in the iron and steel industry in South Wales for the years 1921, 1931 and 1932, respectively;

(3) the number of employed persons in the tinplate industry in South Wales for the years 1921, 1931 and 1932 respectively?

Sir H. BETTERTON, *pursuant to his reply* [OFFICIAL REPORT, 9th March, 1933; col. 1928, Vol. 275], *supplied the following statement:*

The earliest complete year for which comparable statistics of employment and unemployment in particular industries are available is 1924. The following table, therefore, gives figures for 1924, 1931 and 1932.

Area. (1)	Year.	Estimated number insured at end of June. (2)	Average number of insured persons recorded as unemployed. (3)	Difference between Col. (2) and Col. (3). (4)
Coal Mining.				
Carmarthenshire	1924 ...	17,300	400	16,900
	1931 ...	15,100	1,900	13,200
	1932 ...	15,000	2,500	12,500
Glamorgan	1924 ...	190,200	14,400	175,800
	1931 ...	145,700	51,400	94,300
	1932 ...	144,100	61,900	82,200
Monmouth and Brecknock* ...	1924 ...	53,200	6 900	46,300
	1931 ...	44,800	11,700	33,100
	1932 ...	43,800	17,000	26,800
Steel melting and Iron puddling. Iron and Steel rolling and forging.				
South Wales†	1924 ...	28,500	3,000	25,500
	1931 ...	24,600	14,100	10,500
	1932 ...	24,300	13,400	10,900
Tinplate Manufacture.				
South Wales†	1924 ...	25,700	800	24,900
	1931 ...	28,100	11,200	16,900
	1932 ...	28,000	10,400	17,600

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* Separate statistics are not available for Brecknock.

† Including the counties of Brecknock, Carmarthen, Glamorgan, Monmouth and Pembroke.

INDIA.

ARTILLERY, INDIANISED DIVISION.

Mr. LEONARD asked the Secretary of State for India whether the Government of India propose to recruit non-martial classes to the Indian artillery forming part of the Indianised division of the Army in India; and, if so, from what Provinces it is proposed to draw recruits?

Sir S. HOARE: I have not yet seen the Government of India's plans. If the hon. Member wishes, I will bring his question and my reply to their notice.

INDIAN ARMY RESERVE.

Mr. LEONARD asked the Secretary of State for India whether the Government of India intend to ensure that the composition of the reserve contemplated by the Indian Army Marine Act Amendment Act shall be mainly Indian?

Sir S. HOARE: I have seen it stated in the Press that an assurance was given in the Indian Legislature that the reserve would be predominantly Indian.

GOVERNMENT DEPARTMENTS (EX-SERVICE MEN).

Mr. RHYS DAVIES asked the Financial Secretary to the Treasury what is the number of ex-service P-class, PU-class and S-class clerks whose promotion to the general and Departmental clerical classes has been authorised during the period from 17th February, 1932, to 28th February, 1933?

Mr. HORE-BELISHA: In the interests of economy, statistics of this character are now compiled in respect of the period of 12 months ending on 31st March of each year. As soon as figures are available I will forward the hon. Member information as to the number of "P," "PU" and "S" clerks, whose promotion to the general and Departmental clerical classes was authorised during the 12 months ending on 31st March, 1933.

Mr. GUY asked the Financial Secretary to the Treasury if, by reason of their comparatively advanced age on entry to Civil Service employment, he will consider making provision for all ex-service men who have entered the Civil Service post-War being retained until reaching the age of 65, subject to good health and efficiency?

Mr. HORE-BELISHA: The head of any Department may call upon any officer of his Department to retire at any time after reaching the age of 60, and it would not be possible to make provision of the kind suggested by the hon. Member.

Mr. GUY asked the Financial Secretary to the Treasury whether he will consider allowing the previous temporary service of ex-service men at present serving in the Civil Service to count for pension rights in such a way that on completion of not less than 10 years' total service all such men, not at present eligible, shall be admitted to pensionable status?

Mr. HORE-BELISHA: A very large number of ex-service men who were originally temporarily engaged have been or are being placed on the pensionable establishment under arrangements recently made after discussion with the staff associations concerned. I should not be justified in reopening those arrangements in the manner suggested.

UNDERGROUND TELEPHONE CABLES.

Mr. McENTEE asked the Postmaster-General the amount that has been spent in laying underground telephone cables during 1932; and the estimated sum that is to be spent during 1933?

Sir K. WOOD: It is estimated that by the end of the present financial year £2,457,000 will have been spent, and that £2,515,000 will be spent during the financial year 1933-34.

FRENCH CITIZENS (REGISTRATION, GREAT BRITAIN).

Mr. A. BEVAN asked the Home Secretary the number of persons of French nationality domiciled, respectively, in Great Britain and in the county of London?

Sir J. GILMOUR: The latest figures of French citizens registered with the police are 15,403 in Great Britain and 9,165 in the City and Metropolitan Police Districts.

ORDERS OF THE DAY.

AGRICULTURAL MARKETING BILL.

Order for Second Reading read.

The MINISTER of AGRICULTURE (Major Elliot): I beg to move, "That the Bill be now read a Second time."

The spectacle of a Minister of Agriculture introducing a Bill upon his subject in any country is one which excites the liveliest apprehensions in the minds of almost every section of the community. Agriculturists fear lest some interference with them and with their ancient customs is contemplated. Consumers do their utmost to see that their interests are not being neglected, and, as for the Opposition parties, they gather round feeling that at any rate this is a subject upon which everyone regards himself as an expert and upon which everyone is anxious to give the benefit of his opinion to the House and to the country.

Furthermore, the Minister himself in any such Debate is speaking, of course, not only for a great industry, and an industry which is closely bound up with the interests of the other industries carried on in his country. In almost every country in the world there is a certain, I will not say conflict of interests, but necessity for co-operation between the President of the Board of Trade and the Minister of Agriculture, and this as I say arouses the liveliest apprehensions on the one side among the supporters of the President of the Board of Trade and, on the other side, among the supporters of the Minister of Agriculture. Only in Germany has this conflict been resolved and, there, the same Minister holds both these portfolios. Whether it would be an appropriate matter for the two to be amalgamated and the two matters to be "squared" in mathematical terms I cannot say, nor can I say which sign would be affixed to that equation—*plus* or *minus*. I can only say that those of us who have to deal with those discussions realise to the full the close importance which they carry both to trade, and to the ancient industry of agriculture, which, more and more, among the peoples of all lands, is being regarded as a lifeline, by which alone, they may be able to pull themselves out of the present slough of depression.

We have three tasks before us in the Debates which are just beginning upon this Bill. The object of the Government, first of all, if it can be done, is to hold and to improve the position of British agriculture. Secondly, we have to reconcile our work with world economics in order to make our contribution to the very difficult questions which are being placed before economists and statesmen in connection with the present economic chaos which weighs on the exchanges and on the markets of the whole world. And, thirdly, we have to see whether it is possible—as I believe it is possible—for agriculture to give a lead to the twentieth century state in organisation and development, so that it may pass from being the least organised of industries to the most adequately organised of industries, and we may be able to secure partnership between the producer, the processor and the distributor, which is one of the great problems of our time and leads to a continuous course of dispute growing more and more acrid as times have gone on.

When this Debate was announced the House, with what I can only consider to be a kindly disposition towards the success of the Measure, universally felt that it should not be introduced and concluded on a day with the unlucky number of 13, and therefore it asked for a further day, which I understand, is to be given next week. That enables us to be sure that the proposals of the Government will be very thoroughly and carefully canvassed. In the interval of a week it will be possible for far more attention to be given to these proposals than would have been the case if they had just been introduced and concluded in one day, or even in a Debate of two consecutive days. That is right and necessary. The proposals which we bring forward are admittedly drastic, far-reaching and novel, and our only justification for them is that they are not more drastic than the situation demands, that they are not more novel than the circumstances which confront us, and that they are not more far-reaching than the emergency which has brought these proposals into being. We are dealing with a crisis superimposed upon a decline. In the post-War years agriculture, after tumbling from the initial peak of high prices to which the

War and post-War years gave birth, moved into a term in which the price-curve more or less flattened out, up till, say, 1929. Although agricultural prices were declining, agriculture as a whole was not in a condition of acute crisis in this country. It was in a position of great difficulty, because, as I shall show later on, we have to compete on every occasion, or had to compete, with the selected man, producing the selected product at the selected moment. But world agriculture as a whole was not unprosperous.

I will make one exception to that. It is an odd thing in examining the price movements and the commodity productions of the post-War period that the first agriculture to feel the shock was tropical agriculture, and that in the tropics the production of staple products did in these relatively prosperous years encounter the same shock and go through the same stages of collapse as we are now experiencing in temperate agriculture. The production of sugar, for instance, came upon extraordinarily hard times and fell upon very evil days. As to the production of rubber, as we all know, the prices in respect of rubber production fell catastrophically, and it is well worth remembering that in addition to the catastrophic decline in the prosperous decade, they have suffered another decline scarcely less catastrophic in the slump between 1929 and the present day. It is a very interesting speculation as to the extent to which that could have been avoided by planning. There were plans brought in for both those commodities—the Chadbourne plan for sugar, and the Stevenson plan for rubber. It is true that the latter scheme failed, but that was because it was impossible to get in all producers. The Chadbourne plan—the sugar plan—has, at any rate had more encouraging results. If one looks at the prices of sugar one will find that there is not a second slump, and that would seem to indicate that by planning at any rate, some of the evils which lie before agriculture in this crash period can be prevented.

But, passing to agriculture of the temperate zone, we have to realise that it is a world problem and that the fall in agricultural prices is not confined to this country alone. It has been specially intense in this country, because as door after door was slammed all over the world, as continent after continent closed its doors against agricultural imports, such agricultural imports came in increasing velocity and in a cumulative avalanche upon our shores, so that, in addition to meeting this selected man, producing the selected products upon the selected day, we had to meet what is nothing more nor less than a series of bankrupt sales. While it may be true that the British producer is equal to any man, or to any two men, in a competition of mutual bankruptcy, it is useless to suppose that, in addition to being a most scientific man, he should also prove to have the longest purse in competition between this Island and the whole of the rest of the world in bankruptcy.

Between 1929 and 1932 the prices in the chief exporting countries had fallen to a half; in 1929 they were double what they were in 1932. It is worth while for the House to observe that, although a decline in industrial prices had also taken place, yet that was immediately reflected in a decline in industrial products, whereas a decline in agricultural prices of 50 per cent. was only accompanied by 1 per cent. diminution in agricultural production. Although the world was showing more and more clearly after every month which passed that it was not anxious or able to absorb the quantity of agricultural goods which were being offered, and saying it in the most clear and unmistakable fashion by a fall in prices to that catastrophic amount, yet agriculture was only able to respond by a 1 per cent. diminution of the production which it was asking the world to purchase from it.

It is said that a farmer can go on seven years after he has been made bankrupt. That enshrines an economic fact which it is well worth while to remember at this time. The long slow processes of agriculture go on for several years after it has been clearly proved that the processes are uneconomic, and there is a succession of years' products that have still to be put on the market. The processes cannot be arrested by turning the wheel or by locking the door as can be so many of the processes of industry. When this position was reached, that is, the position in which the prices obtainable were clearly below the replacement value and below replacement value all over the world, every country began to examine its own particular position and

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many remedies were brought forward. One of the obvious objects of attack was of course any fixed charge which agriculture was bearing, more particularly the charge known as rent.

I notice that my hon. Friends opposite have put down an Amendment in which they animadvert upon the possibility of rent being maintained under any system of remedial measures which is put forward. If one adopts this simple criterion of replacement value, one can see that there is no escape from the agricultural depression in the abolition of rent, not even in the total abolition of rent, because, as any practical man knows, the chief item in rent—and in Great Britain, actuarially speaking, the only item in rent just now—is the replacement value of the plant and equipment on the land. That will have to be put there under any system of agriculture; it will have to be maintained under any kind of tenure. Therefore, sooner or later, these charges will have to be borne by agriculture or by the consumer of the product of agriculture, for they are an unescapable part of the sum total of the charges which any agricultural product will have to bear. There is, therefore, no avenue of escape along that line.

It is said also that the middleman is the villain of the piece. I am willing to discuss that question, although I think that it comes more into the consideration of the Committee stage, for this Bill puts it once and for all into the power of the producer to test that statement by organising to see whether he can do it cheaper or not. That is the only final test. There is no escape in saying that it is a terrible thing that it should cost so much to distribute an article. The question is: can the producer do it cheaper? That will be the test, which in future it will be possible to apply to any of the processes in which the agriculturist is interested. I think that it will be found that there is not so much hope along that line either, and that an over-emphasis can be placed in these days upon the necessity for those 100 per cent. super-effective efficiency schemes. There is a type of rationalisation of industry which more often produces as much hardship and as much expense as the small margin of inefficiency and waste which it is designed to do away with. The Lord President of the Council on a previous occasion gave an account of his work in Worcestershire, where there were a certain number of old gentlemen who did not do very much but sit down on barrows and smoke. It may be better for the world that such people should be ruthlessly eliminated from the processes of fellowship with their fellow employés. That may be a question of argument in industry, but I am sure that agriculture cannot operate this razor edge efficiency which has come to be the fashion in Taylorised industrial production.

So we come bluntly upon the solution that we must seek to establish an equilibrium of price levels. We must seek to establish replacement value as the criterion of what shall be asked from the consumer for the product which he is attempting to consume. We must, therefore, ask ourselves what that level is to be. Is it to be determined by the lowest cost of the most favourably situated producers? That was the solution of the nineteenth century. It was the gospel associated with the widely renowned names of the Manchester school. They followed this to the extreme, and said, "Let all the barriers be swept away, and we shall succeed in getting an absolutely homogenous planet in which everything will be produced at the most favourable rate, and no interference of any kind will be made in the currents of trade." You cannot cover that blank sheet of paper with all the restrictive covenants of the Labour organisations without some of the writing showing through on the other side. The Manchester doctrine of Free Trade involved the lack of recognition of any kind of labour organisation, and Bright defended in this House the employment of children from 5 in the morning until 8 at night, because, he said, it was wrong to interfere between employers and workmen as that was an interference with trade. When the House abandoned that doctrine, it abandoned the complementary doctrine of an absolute freedom of movement of goods about the country.

It is no longer the national policy to buy all over the world in the cheapest market, because we cannot afford it. That is a great lesson which we have learnt to-day. Is home agriculture to be asked to compete against and to beat the selected man producing the selected product on selected land, and marketing it at the most favourable moment for himself? If so, British agriculture is doomed. The replacement value must be, for the renewal of products which can reasonably be produced in this country as in any other, replacement value here in these islands. Here in these islands we intend to ensure that British agriculture shall continue to thrive, and, if we can ensure it, to flourish. Other countries have the power to say that Britain shall no longer be the workshop of the world. They have the power to lock us out of the factories. As other countries lock us out of the factories, they send us into the fields, and the rest of the world may well consider what will happen if the whole weight of the power, the skill, the inventive genius, the sympathy with the soil which the British have shown in the past, are flung back into the ancient industry of agriculture, in which this country is not second to any, and from which it was temporarily seduced for 50 years because there were other much more amusing and profitable things in the factories, the mines and the workshops upon which to engage.

We have to deal with facts as they are, we have to consider how other countries have now put up barriers against the products of this country which only with the greatest difficulty can we succeed in moderating at all, and we have to take it for granted that they will not in the future sweep away all these barriers, as so many of our economists and some of our politicians are so anxious to persuade us that they will. We have to deal with the twentieth century, a century which sees countries organising nationally the exchange of their products, and certainly when we deal with that situation we shall work out to something much nearer the provisions of this Bill than of the ideal world as it was sketched by the nineteenth century economists.

It is necessary to deal for a moment with the Amendments which have been put down by the Opposition, and also by the opposition to the Opposition which I am glad to see is in its place. The Leader of the Opposition has put down an Amendment for the rejection of this Bill on the ground that it is:

> "primarily designed to raise the prices of agricultural products by the creation of scarcity in a time of plenty, fails to give the Government any effective means of controlling or planning the agricultural industry, provides no protection for the consumer or any improvement in the lot of the agricultural labourer, and will, so long as the land is left in private ownership, result in the consumers subsidising the middlemen and the landlords."

I compare that Amendment with interest with the Debates on the Agricultural Marketing Act, 1931, which at any rate the Leader of the Opposition will remember, for he was a member of the Cabinet which introduced and backed that Bill. I think my hon. Friend the Member for Don Valley (Mr. T. Williams) will also remember it, for he also took an honourable part in that administration; and, indeed, the hon. and learned Member for East Bristol (Sir S. Cripps) will remember it, for he defended it on the Floor of the House during its passage into law. Are not most of the points which they raise in their Amendment met by the fact that the proposals in this Bill are the logical development of the proposals of the Act of 1931? I am grateful to them, and I am grateful to the opposition to the Opposition also, for having done their utmost to convince, not my hon. and right hon. Friends in this House, but the Press outside, that this is not, as some of the Press fear, a mere Socialistic Measure which has been pushed upon the Government of the day by an all-too-skilled Opposition. I can point to these Amendments in proof of the fact that it is not.

The Agricultural Marketing Act, 1931, was accepted by all parties in this House when it was under consideration here as a non-party Measure. It had developed out of many experiences which we had had in the past, and was more strongly supported, I think, by my right hon. Friend the Member for the Aldershot Division (Viscount Wolmer) than by anyone else in the House. It is true that we divided against the Third Reading, and why did we do so? We divided against it, as our Amendment said, simply on the ground that the Bill was part, and only part, of the whole story; and it is an example of consistency which is not, perhaps, always found in the history of parties in opposition who subsequently find themselves in office that I am able to refer to the Opposition Amendment when we were in opposition, moved by two hon. Friends of mine, who certainly could never be accused of being Socialists in disguise, or any other kind of Socialist——

Mr. T. WILLIAMS: On whose behalf was that Amendment moved?

Major ELLIOT: It was moved on behalf of the whole Conservative party by the Opposition of the day. It is an interesting thing that we can now put our finger on that Amendment, which proposed that:

> "This House cannot assent to the Third Reading of a Bill which, despite great depression in agriculture, imposes upon home producers solely a dislocation of trading facilities while leaving unfettered freedom to competing importers." — [OFFICIAL REPORT, 13th July, 1931; col. 168, Vol. 255.]

To-day we come before the House to complete this story, and to write into this series of Statutes the words which alone can make that scheme effective. Nobody can deny, and certainly not Dr. Addison, to whom, I think, the agricultural industry eventually entrusted a great deal of its confidence, that as those Debates continued it became more and more clear that to say that we could organise, regulate and control the agricultural products of Kent while leaving open at Dover a door through which the whole of the agricultural produce of the Continent could pour in without the slightest check or restriction was to ask British agriculturists to accept something which was not common sense. The proposals which we bring forward are intended to deal not with half the market but with all the market. The market cannot permanently endure in a state of half chaos and half order, especially if the chaos is all on this side, but we say further without hesitation that the market certainly cannot endure if the only one to organise, the only one to submit to all the difficulties which organisation brings about, the only one to be regulated by the British Government is the British producer. It is quite clear that under those conditions regulations will not be accepted by the British producer.

The proposals in this Bill deal with the whole of the market, and therefore it is a proposal which we may commend with the utmost confidence not merely to the House and to the country but to the industry, and unless we have the support and the agreement of the industry it is useless to suppose that any of these proposals will work. We know, in fact, that since it has been manifest to the industry that they would not be alone in being asked to regulate, that the surplus would not entirely be dealt with at their expense, a complete new spirit has breathed over the agricultural industry and the whole of the ideas of marketing which the 1931 Act enshrined. While it is true that only one agricultural marketing scheme is at present in operation, nine more, as I said to my hon. Friend at Question Time, have since been brought forward, and brought forward, I venture to suggest, almost entirely because of the promise held out to the farmers that if they would organise at home the Government would see that that organisation was not swamped by imports from abroad. The Amendment speaks of:

> "The creation of scarcity in a time of plenty."

Surely it is an odd thing for the Labour party to put forward an Amendment couched in those terms. It seems an odd thing for a party who have always quite explicitly held that it is necessary to withhold certain things from the market if that must be done for the sake of producers as a whole to come here and argue that everything that it is possible to put on the market should be put on the market without any question of what it will fetch. "A time of plenty," when, as we know, the man who sows the barley cannot afford to drink the beer. "A time of plenty," when the man who feeds the pig is unable to afford to eat the bacon. "A time of plenty," when the man who flays and cuts up the beast has to use rubber or cardboard for the soles of his boots instead of honest leather, which he might otherwise get. It is all very well for my hon. Friend to say that it is a wicked world. He is not by this Amendment which he is supporting doing anything to remove its wickedness, whereas we are taking some definite step whereby, I hope, we shall in the end secure his support.

I do not wish to deal further with the Opposition Amendment at length, because it seems to me that it must be dealt with point by point and rather in the Committee stage than upon Second Reading. There we shall be able to show that we have secured a rise of from 20 to 30 per cent. in the wholesale prices without a rise of more than 1 or 2 per cent. in the retail prices. As to the charge that the Bill

> "fails to give the Government any effective means of controlling or planning the agricultural industry,"

we shall be able to deal with that by the simple means of saying that it is not our desire primarily that the Government should control and plan the agricultural industry, but that the agricultural industry should control and plan itself, while this House should be left to say whether a scheme finally shall be accepted or refused. As to the argument that the Bill

"provides no protection for the consumer,"

we shall meet that by quoting the arguments that hon. and right hon. Gentlemen opposite themselves used in support of their own Agricultural Marketing Act. The suggestion that it guarantees no improvement in the lot of the agricultural labourer we shall be able to deal with by quoting the simple fact that in this country a statutory guarantee of wages has been on the Statute Book for long enough to be a firmly entrenched part of our agricultural policy. Whether it has been effective or not we can prove by the simple fact that while in the United States during the last two years farm wages have fallen by 48 per cent., farm wages in England and Wales during that time have fallen by less than 2 per cent.

As I say, this Bill has developed out of the Agricultural Marketing Act, 1931. It is, as I have tried to show, entirely consistent with the Conservative Amendment which was moved on the Third Reading of that Bill. Since that time, the crisis has not diminished; the depression has not passed off. We have had, first of all, to go to the country to get a free hand; and, secondly, to use that free hand to give direct assistance in some cases, as in the wheat quota, in others tariffs as in the Horticultural Products Act, and, finally, quantitative regulation. It is interesting to know that the principle of quantitative regulation was agreed to by the Cabinet as a whole long before there was any suggestion that the Ottawa Agreements were going to bring about the resignation of certain most important Ministers. The quantitative regulation of bacon, which is altogether one of the main reasons of this Bill, was agreed to by declaration of policy of 11th February subscribed to by the right hon. Member for Darwen (Sir H. Samuel) and by the right hon. and gallant Member for Caithness (Sir A. Sinclair), which was worked out as the result of a committee on which we sat and spent many anxious weeks of the closest consideration. It was entrenched in an agreement, and as it was not followed by an agreement to differ, we must take it as one of wholehearted support.

At the Ottawa Conference further movements into the arena of quantitative regulation had to be undertaken, and during the whole of that time we referred to the Lane Fox Commission as one of the main planks in the agricultural policy of the Government. We had accepted in advance that we should attempt the quantititive regulation of imports into this country, and we pledged our word at Ottawa that we would see that that was carried through. Not only had my right hon. Friend the Member for Darwen and my right hon. Friend the Member for Caithness accepted that, but my right hon. Friend Lord Snowden had also accepted it, as he was also a Member of the Cabinet which accepted the declaration on the quantitative regulation of bacon.

Sir HERBERT SAMUEL: The right hon. Gentleman is mistaken in his record. I cannot very well, by way of interruption, explain the whole of the circumstances, but we did not pledge ourselves to any quantitative regulation.

Mr. LANSBURY: As the right hon. and gallant Gentleman has called attention to some agreement that was come to by Members of the Cabinet, is it not in order that he should lay that document on the Table of the House? He has referred to a document which contains an agreement arrived at between Members of the Cabinet, and is it not the custom that he should lay that document on the Table of the House?

Major ELLIOT: I was referring to an answer to a question in the House of Commons given at great length by my right hon. Friend the Home Secretary, then Minister of Agriculture, enshrining the agricultural policy of the Government, and stating that it was their intention to deal with the regulation of bacon.

Mr. LANSBURY *rose*——

The UNDER-SECRETARY of STATE for SCOTLAND (Mr. Skelton): What do you know about it?

Mr. LANSBURY: I know exactly what I am talking about. The hon. Gentleman may be a very learned person, but he has no right to make an insulting statement.

Mr. SKELTON: I apologise for an observation which was not intended to be heard, and which should not have been made.

Mr. LANSBURY: My point of Order was that the right hon. and gallant Gentleman called attention to the fact, as he stated, that the right hon. Member for Darwen (Sir H. Samuel) and the right hon. and gallant Member for Caithness (Sir A. Sinclair) sat on a committee which formulated a certain policy. I ask that that document embodying that policy should be laid on the Table.

Major ELLIOT: Good gracious! It was an answer given to a Parliamentary question.

Mr. LANSBURY: I want to know whether they are guilty or not guilty.

Major ELLIOT: Really, my right hon. Friend himself having been a Member of the Cabinet is not unacquainted with the doctrine of Cabinet responsibility. If he thinks that a Member of the Cabinet can get up and make a statement of policy such as that he is prepared to appoint a Commission to work out the regulation of bacon on quantitative lines if a satisfactory scheme can be prepared, without it having passed his colleagues in the Cabinet, surely he is attributing a degree of irresponsibility which I hesitate to attribute to the proceedings of his own Government. I say, again, that an answer was given on 11th February in the House that if a satisfactory scheme could be evolved, the Government were prepared to contemplate the regulation of bacon on quantitative lines. That is all that I wish to say. I do not wish to press my right hon. Friend beyond that, but I do say that he was a Member of the Cabinet which drafted and passed that declaration, and which shows that he was at one with them on that point.

Therefore I say that we had to deal with a situation by quantitative regulation or by exploring the possibilities of quantitative regulation, and that we did that with the consent of all those who were Members of the Government; that is to say, it was approved by all. It is true that at Ottawa further steps were taken with regard to quantitative regulation, and the Ottawa Agreements, either for that reason or another, did not meet with the approval of my right hon. Friends below the Gangway. But the course which the price curve followed showed how necessary it was to find some means or other to avoid a disastrous crash in British agriculture, and that led us to the further negotiations on quantitative meat restriction which I had the honour of announcing in the House last autumn. I do not wish to repeat them to the House, but they were examples of what could be done in the way, first, of getting hold of the home market by ensuring that supplies were not thrown on that market which it was impossible for the market to absorb, and, secondly, they were an example of the possibilities of coming to agreements with foreign countries even though it involved some restriction upon the imports from those foreign countries, which not only could be carried through in a friendly and equitable manner, but were, in fact, welcomed by the suppliers to the market as a whole as bringing a touch of order into a position which had previously been that of chaos. That is really the next important point.

We are dealing, as we must, with these questions under the shadow of the World Economic Conference. The world has a right to say to Great Britain, as we have a right to say to the world, that international trade shall not be conducted on the lines simply of bringing out the great import and export trades of the world and having them shot at dawn. We must deal with these things as a world market, and Britain as a world market is not merely concerned with the import side but is also concerned with the export side of her trade. It is, therefore, necessary for us to see if we can bring forward a scheme which can be shown to be not merely advantageous to Great Britain herself, but to bring order where there was chaos, and therefore make our contribution towards the stability of world trade. The proposals in this Bill have been framed with an eye to that possibility. It is true that many of my right hon. and hon. Friends will bring forward that as a source of attack rather than as a source of support. They may say—I see one of the hon. Members for Southampton—it is easy to say that, but in the Bill are words which say that the Board of Trade in deciding whether to make an order shall

> "have regard to the interests of consumers of the product to which the Order relates (including persons who purchase that product for the purpose of subjecting it to any treatment or process of manufacture) and to the effect which the regulation of the importation of that product into the United Kingdom is likely to have upon commercial relations between the United Kingdom and other countries; and the Board shall not make such an Order unless they are satisfied that it is not at variance with any treaty, convention or agreement for the time being in force between His Majesty and any foreign Power."

It is certainly true to say that that is taking a world view of Britain's interest, which is to the advantage, I believe, of Britain as a whole, but will need to be very carefully and thoroughly justified to the agricultural industry. I do not despair, but I confidently anticipate that we shall be able to justify it to the agricultural producers of this country.

I commend those words and that attitude of mind to those hon. Members and right hon. Members who are in opposition to these proposals, and particularly to the great, ancient, Free Trade party, those who form the real opposition to these proposals. I ask them whether there are any better words which they could have suggested. Is there any other aspect in which we could more securely present these proposals to the world, taking into account, as we have to, the fact that their primary object is that of ensuring that British agriculture does not perish and become altogether a lost art? We have done our utmost to ensure that world trade does not simply stagnate, by being strangled and restricted by a series of arbitrary decrees under this Bill. We shall ensure, in the discussions which take place on the Floor of this House and with foreign countries, that the whole question of British trade, both import and export, is most thoroughly taken into account in making any regulations under the Bill.

We have hopes that we shall be able to do these things and yet to preserve our friendship with foreign countries. Great Britain is one of the world markets in agricultural produce, and for many agricultural products it is indeed the whole world market. No less than 94 per cent. of the bacon which is produced in the whole world is indeed brought to these shores to be bought and consumed, and the same is true of 96 per cent. of all the mutton and lamb which is exported anywhere in the world. In the case of the dairy produce of the world, half of the cheese of the world comes here. Out of every ten tons of butter made for export anywhere in the world, seven tons are made for consumption by the inhabitants of Great Britain. In all these matters we have a responsibility, as a great trading community, which we certainly shall not shirk.

How do we propose to do this? We propose to do it by emphasising the point that a remunerative level of prices is an advantage to all the suppliers of the market, and that an unremunerative level is not an advantage to anybody; nor is an unremunerative level of prices an advantage to the consumer himself. A man who is supplied at an unremunerative level of prices is a man who is watching a clock which is running down; he is a man watching a fire which is burning out. Sooner or later, the prices will have to be put back on to the basis of replacement value and on to the basis that you pay for what you want at prices which will enable that thing to be again produced and marketed. So much for the contribution that we hope to make to world economic affairs by this Measure.

We also have to make our contribution in the case of the building of the new order, which is coming into being here and there throughout the world, and to which all the world States are, in their way, making their contributions. We are making a particular attempt to deal with that in Part II of the Bill, which deals with development schemes, and which we hope will be accepted and extended by the action of the industries themselves. Part II of the Bill deals with development schemes, which have to be submitted by two or more marketing boards constituted under the 1931 Act, or the complementary Act for Northern Ireland. At least one board must be regulative of a secondary agricultural product, and one board must be regulative of a primary product. If there are two or more regulating inter-related products, they may submit a development scheme carrying the organisation one step further. The keynote of the development scheme is organisation of production. Organisation of the sales is the

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only organisation which we are attempting for primary products, but the organisation of production is, under this Bill, enabled to be applied to secondary products.

At the moment we have only bacon and ham in mind. This scheme arises specifically out of the Lane Fox Report, and so far, bacon and hams are the only secondary agricultural products to which this applies. There may be other agricultural products to which it may apply, such as canned fruit or vegetables, and there may be other products still to which this part of the Bill may be found intensely useful. This part of the Bill deals also with the whole question of plant, factories and the possibly redundant plant which, as we all know, is, in many instances, a millstone round the neck of industry without any hope of earning adequate returns. Nothing is easier than to run up, here and there, redundant processing plant which, in the long run, either has to be scrapped or bought up.

Here are the producers and the processers coming together and regulating the whole aspect of the development of the industry, and we look to this work to exercise a two-way pressure. The bacon producers will go to the pig producers and will say: "We believe that you can produce your pigs more economically, and, if you can, we can sell the product at a cheaper price, or more widely, and therefore we shall all be busier." It enables the producers to go to a processer and say: "You are wastefully operating, and you have redundant plant. You are operating in an old fashion and with an out-of-date technique. We, the producers, cannot afford the inefficient handling of our products, and we, for the first time in agricultural economic history, come and tell you that processing can be more effectively done and better run. We are willing to co-operate with you, and to help to do it." This is a departure which can be of great value. A few years ago, the Pig Industry Council reported that bacon factories were working to about half their capacity. To-day the position is probably worse. The existing factories in Great Britain, the Lane Fox Commission's Report says, could deal with three times the present output. They say:

> "Existing factories, with some structural alterations, could be fitted for producing half the total requirements of the United Kingdom."

They also say:

> "In the interests of efficiency, it will be desirable to concentrate production as far as possible. We therefore recommend that the Quota Advisory Committee should insist that the curing industry should rationalise the utilisation of its factory capacity."

There are many new principles of economics, enunciated in the report of the Lane Fox Commission, to which this House and the agricultural industry owe the utmost debt of gratitude. I suggest that the proposal for the Development Board, this bringing together of the producers and the processers, will be found the most fruitful of all of them. It will be noticed that it has been accepted spontaneously by the producers of pigs and of bacon. In the schemes, as they are brought forward, there will be criticisms, no doubt, that this is an undue interference with every individual, and an undue interference in particular with the small man. Will it, for instance, stop a man being allowed to cure his own bacon, and will it stop a man being allowed to cure a little bacon and sell it to his friends? We are fortunate in that these schemes have already come to an advanced stage, and are now being submitted for consideration to the industry as a whole. I have before me a scheme for regulating the marketing of bacon, and another for the marketing of pigs. The scheme for the marketing of bacon, be it noted, was drawn up by the bacon section of the Food Manufacturers' Federation of Great Britain and not by the Government, and the scheme for pigs was issued by the National Farmers' Union, of Bedford Square, and not by the Government. They will come before Parliament for acceptance or refusal, but not for the particular control by Parliament of every detail of the industry. We consider that to be the proper way in which these schemes should be evolved, and in which they should find legislative sanction.

In the bacon scheme you will see, for instance, that the position of the small man is safeguarded by the fact that all producers who do not use machinery, or who do not put into curing more than 50 cwts. of bacon in any consecutive period of two months, shall be entitled to exemption from the scheme. This is parallel to the milk-marketing scheme, where any man with fewer than five cows is entitled to exemption from the operation of the scheme. This is our practical, detailed scheme, by which it should be possible to safeguard the smaller producers, which, as we all know, is one of the things to which this House always attaches the greatest importance. So much for the Development Board and so much, in fact, for the Bill as a whole. The essential constructive part of the Bill is in Part II.

The Bill has a legislative background of industrial planning and of co-operative organisation. It contains the policy which was built up in the times of the Labour and Conservative Governments, and by the National Government. It is upon its merits that it deserves the support of all parties in the House. It is at least interesting to those who say that this is enslaving the British farmers and putting fetters on him, and is interfering with the liberty of the subject to read this morning's Press. This morning we read of the American farmers coming on a deputation before the President of the Republic, led by the Minister of Agriculture himself, and asking that exactly the same sort of control should be taken into the hands of the President of the United States to regulate and supervise marketing and processing of their agricultural products. Many other schemes were suggested which could be closely paralleled in the Bill which I have the honour to lay before the House this afternoon.

I do not think that it is possible for us to continue in a series of anarchic crises. This may not be the way out of the crisis, but it is a bold and vigorous attempt upon the difficulty. We believe that our problem is not only a problem of currency and of exchanges, but a problem of quantity, and that unless we tackle the quantities we shall not be able to tackle the currency and exchange problems, which express those quantities. We have in our hands great power. Great Britain, in spite of all, is still a tremendous supplier of her own market. We deal here this afternoon with huge and important trades, themselves greater, even in their minor manifestations, than many of the trades which excite much more sympathy in this House and in the country. Dairying employs 50,000 more people than the whole of the motor engineering industry of the country. Agriculture employs more than the whole of the textile industries, woollen, worsted and artificial silk put together. That is a point showing the employment value of the trades that we are considering. As for the value of the outputs that we are covering, this is a market which consumes £155,000,000 worth of meat in the year, and of that quantity we still produce £69,000,000 worth here at home. It is a market which consumes £113,000,000 worth of milk, butter and cheese, and of that we still produce £59,000,000 worth here at home. It consumes £29,000,000 worth of poultry and eggs, and we produce £18,000,000 worth here. Production has been increasingly expanding. In the last two years we increased our production of mutton and lamb by 5 per cent., of pig-meat by 18 per cent., of milk by 6 per cent., of poultry by 20 per cent., of eggs by 18.5 per cent.——

Sir H. SAMUEL: In what period?

Major ELLIOT: In the last two years. It is our business to see that these increases of production do not add their quota to the demoralisation of markets which has taken place all over the world, but that we can sell these things when they are brought to the market. We shall have to deal with the problem of the necessity for expanding consumption as well as dealing merely with the problem of restricting supplies. But we shall not get an expanding consumption by bankrupting the industry of agriculture. To produce a thing to-day is one point; to sell it is 10 points. It is 10 times as difficult to sell as to produce, and we have to be sure that, when British farmers have produced their products, it is possible for them to sell those products at a remunerative price.

We have a great industry to deal with; we have the food of our people under consideration; and, more than anything else, we have agriculture as a mode of life—the ancient power of man to till the soil and extract nourishment therefrom. Flocks and herds, crops and stock, are not things which any country can afford to neglect. The coloured counties of England cannot be replaced by asphalt and tar macadam. Cinemas and tinned food shops are all very well, but these are not the things upon which nations are founded. We may do well or we may do

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ill, but we are sincerely tackling a very great problem. If fortune smiles on us, we shall have done something really great, perhaps greater than many other more spectacular things which we are discussing in these days. If we fail, we shall have tried, and in these days any failure may be pardoned if it is accompanied by effort and there is no lassitude. But nothing in the way of abandonment, of folding of hands, will be forgiven now either by this country or by this House.

4.35 p.m.

Mr. T. WILLIAMS: I beg to move, to leave out from the word "That" to the end of the Question, and to add instead thereof the words:

"this House, whilst recognising the Government's conversion to the principle that it is essential for the community to exercise control over the production, importation, and sale of agricultural products, declines to give a Second Reading to a Bill which is primarily designed to raise the prices of agricultural products by the creation of scarcity in a time of plenty, fails to give the Government any effective means of controlling or planning the agricultural industry, provides no protection for the consumer or any improvement in the lot of the agricultural labourer, and will, so long as the land is left in private ownership, result in the consumers subsidising the middlemen and the landlords."

In moving this Amendment, I desire to congratulate the right hon. and gallant Gentleman upon the admirable speech he has made in introducing the Bill. I wish I were able to add the further compliment that he had explained the Bill very lucidly from Clause 1 to Clause 26; but, unfortunately, the right hon. and gallant Gentleman, although he made very fine play with the agricultural problem, did not feel it worth while, presumably, to explain many of the highly complex and highly significant Clauses in the Bill. He commenced by telling us that he had some fears as to the effect upon the mind of the farmer, and also as to the effect upon the mind of the consumer, who might be wondering what was going to happen with regard to prices; and he also said that the Opposition would be anxious to express their point of view, which might be very different from his own. The only person, apparently, of whom he was not afraid, and of whom he made no mention, was the middleman, and I am afraid I must assume that he has made terms with the middleman sufficiently satisfactory for him not to fear that gentleman at all.

The right hon. and gallant Gentleman quite truly said that there is a duty before this nation and this Government, and, for that matter, an obligation upon the Opposition, to do whatever they can to help to improve British agriculture despite the fortuitous circumstances of the economic situation in the world, and he expressed the hope that agriculture would give a lead in organisation to all other industries in the country. We entirely agree with that observation, but, after closely examining this Measure, we cannot help feeling that, while the original Act of 1931 was a sound and solid foundation—at least, as a Bill, when it was introduced into this House, though it was toned down considerably after Conservative attacks in Committee and on report—on which a successful agricultural future might have been built, this superstructure of the right hon. and gallant Gentleman has no relation to the original intention and purpose of Dr. Addison when he introduced his Measure.

I want to say at the outset two very definite things, namely, that in one particular the "Daily Express" is not strictly accurate when it describes this Measure as a Socialist Measure, and, secondly, that the Opposition will accept no sort of responsibility for this Measure at all. We regard it as being the very antithesis of Socialism, as a Measure which, whatever may be the result of the efforts with marketing boards and so forth, will in fact be the most valuable addition that the National Government have made to the consolidation of private interests in the shape of middlemen and importers that has been introduced into this House during the last 18 months. The Bill certainly is, as the right hon. and gallant Gentleman said, an organisation of security Bill, consolidating the interests of middlemen and importers, and to that extent we shall be obliged to oppose it for reasons, which I will explain. We give the right hon. and gallant Gentleman credit for the conversion referred to in the first part of our Amendment, which he failed to read:

"That this House whilst recognising the Government's conversion to the principle that it is essential for the community to exercise control over the production, importation, and sale of agricultural products, declines to give a Second Reading" and so on. We compliment the right hon. and gallant Gentleman, and, for that matter, his Government, on their very recent conversion to the principles of co-operation, despite all that they may have said in 1931. The Noble Lord the Member for Aldershot (Viscount Wolmer), of all the Members of the Conservative party during that period, was perhaps the most constructive, but I do not think that even he would claim that he was too enthusiastically in favour of the co-operative principle in that Bill. What he did stand for, however—and I want to do him justice in this respect—was that agricultural co-operative marketing was necessary, but could only be successful if it were allied with Protection. The Noble Lord was persistent in that policy. But, seeing that they did not then appear likely to secure protection or the sort of control which is recommended to-day, I do not think that the Noble Lord would claim that he was helpful in passing the Bill at all, for his party insisted that, unless they could have the one, they were not going to have the other.

This Bill provides marketing boards, a market supply committee, development boards, an agricultural reorganisation committee, an investigation committee, and so forth, but the one thing that the Bill fails to do is to make any sort of arrangement for a national reorganisation committee with power to plan ahead. The object of this Bill can only be one of piecemeal organisation. But, in the future, planning ahead, as all agricultural experts have suggested, ought to be the forerunner of any action taken by this, or, indeed, any other Government. While the Bill is designed to raise prices, I think I can claim very definitely that few or no safeguards are provided for the community. The "Observer," referring some little time ago to the method employed by the right hon. Gentleman, said:

> "A quota in this country is not a policy, but a dodge. It is inspired by electioneering fear, and nothing else. As regards livestock farming itself and the meat trade, wholesale and retail, it will mean the most complicated system of prohibitions, limitations, inquisitions, and endless interference that in time of peace has ever existed in any country. . . . Owing to its elaborate clumsiness, it will raise prices in the worst way by organising rigid inefficiency and jeopardising future supply."

I think we might agree with some part of the remarks of the Editor of the "Observer." There is, however, another witness who stands for planning for agriculture, and who would not be denied even by the right hon. and gallant Gentleman. Here is a statement made by the Scientific Adviser to the Ministry of Agriculture, which appeared in the "Observer" a few weeks ago. Referring to the agricultural problem, overproduction, and so forth, he states:

> "The means of production in agriculture and all industries have become immensely and increasingly effective. We could be well provided with even the luxuries"—

he was referring to fruit, vegetables, and so on—

> "provided only the machinery of exchange could be got to work. One may, however, conclude that it is wrong to look to restriction of production as the way out; such action in the end can only lead to a lower standard of living all round."

I wonder if the right hon. and gallant Gentleman has consulted the Scientific Adviser to the Ministry of Agriculture in regard to the introduction of this Bill? That gentleman tells us that it can only result in a lowered standard of living all round; and he proceeds:

> "Before any effective policy can be formulated, there must be a review of the situation as a whole, and the implications must be brought home to the average man. Somehow the answer must be acceptable to people at large. Statesmen must feel that they can trust to the reason of those who have put them in power. For the problem cannot be solved emotionally or by appeals to national or party sentiment. Such a scheme would involve not only planning within each business, but State planning as to the scale and nature of the business that would be allowed a monopoly."

The right hon. and gallant Gentleman has made no arrangements for national planning. There is piecemeal planning, but no sort of effort at national planning, in the Bill which is before the House to-day, and one can only conclude that, while the right hon. Gentleman, and at least some members of the Ministry, know and understand this problem of agriculture, they find themselves at the last moment lacking the courage to do what they know to be necessary, not only to restore agriculture to prosperity, but to safeguard the consumers of this country and to do a great work for many of those who are unemployed at the present time. I think that the right hon. and gallant Gentleman will have to confess, long before this Bill emerges from the Report stage, that he has surrendered

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to the middlemen and the importers to an extent that no section of the community outside this House will agree with when they really understand the full significance of his scheme. Clause 1 provides the Board of Trade with absolutely unlimited power to apply orders where a marketing scheme is either in force, has been prepared or is in course of preparation. They can actually prohibit imports if the Board of Trade feels at any moment that it is necessary for the success of any scheme.

While it states in Clause 1 that regard should be had to the interests of consumers prior to the production of an order, the consumer is no longer mentioned in any of the remaining 25 Clauses. There is no sort of safeguard for the general consumer except just a reference in Clause 1, which gives the Board of Trade power to make an order with regard to any one of these agricultural commodities. The £300,000,000 worth of food which we import annually is vitally important not only to agriculture, and to the consumer as consumer, but to every other industry outside agriculture, and that £300,000,000 worth should be carefully dealt with lest the industrial guerilla warfare should spread throughout three-fourths of the industries of the country. While we produce £60,000,000 worth of milk and import £60,000,000 worth of dairy produce, the greater proportion of which might with perfect organisation be produced inside the country inside a national plan, I see little or no hope for a very long period of any large volume of it being produced in this country. Therefore, the price factor becomes an important factor for the consumer and, unless the right hon. Gentleman is going to think more in terms of protecting the consumer than he has done up to the present, I am afraid again that we shall have to conclude that in the process of trying to educate farmers into the ideas of marketing and co-operation and the process of making the bargains which have already been made, in his efforts over the wireless and elsewhere, he has lost sight of the biggest villains in the piece.

It seems to me that it is the faultiest of all the possible ways that could be devised of regulating the import of foodstuffs. What actually does it consist of? We import from Denmark a goodly quantity of ham, bacon, butter, cheese, and so forth. We import bacon from Poland, Lithuania, Russia, United States, Canada and elsewhere. The right hon. and gallant Gentleman does not feel disposed to establish an import board, whose duty it shall be to act in accordance with any order made by the Board of Trade with regard to regulations. He prefers to enter into a series of bargains with first this country and then the other or, at all events, with the importers from the various countries, with the condition always apparently laid down that the importers from Denmark, Poland, Lithuania or Timbuctoo shall restrict their imports from 10 per cent. to 25 per cent., and prices shall be raised to a point satisfactory to the importers. That is, to say the least of it, giving away the interests of the consumer. This is a power that we really do not think he ought to have. Here is what we regard as one of the most vital defects in the Bill. He takes power to provide an order to control the sales of home-grown produce. In Clause 2 (1) he definitely denies himself the privilege, after having regulated the quantitative import, of regulating sales. What do these words say? That the kinds, varieties or grades of the product which may be sold and the quantity of the product or of any kind, variety or grade thereof which may be sold shall be marketed under a scheme:

> "So however, that nothing in an order under this Section shall apply to any product in so far as it is produced outside the United Kingdom."

The right hon. and gallant Gentleman enters into a bargain with the importers of bacon. They agree with him very readily to increase prices to a point which will increase their profits out of all proportion to their previous profits. Of course, in the process of increasing the price of the home-grown produce it would be disastrous, and inconsistent with the terms of the Bill and the bargain into which the right hon. and gallant Gentleman has entered with them, if they did not increase the price of the imported product. Therefore, this means that the importer, who has the privilege of now buying from the market where supply is infinitely larger than demand, has all the bargaining power in his hands. He could force the buyer to sell at an even smaller price than hitherto. I hope I have expressed that clearly. The importer reducing, by agreement with the right hon. and gallant Gentleman, imports by, shall we say, 15 per cent., proceeds to Denmark and informs them that he now only wants 85 per cent. of the normal quantity. They will be willing to sell at a smaller price than hitherto, but, as the importer has already agreed in his bargain with the right hon. Gentleman that he will increase the price here to the British public, he is going to win on the swings and on the roundabouts.

We have had some little experience already of what that means. The Parliamentary Secretary to the Board of Trade and the Minister of Agriculture will know all about it. Last year they entered into a temporary restriction of imports. Lord Beaverbrook stated that in one single night the meat importers made £600,000 profit, and, while one looks with doubt and accepts with hesitation statements made by the Noble Lord, we investigated the figures and we discovered that, within three weeks of the temporary voluntary agreement having been made with the Argentine for a reduction in their exports to this country, prices in the Argentine fell from 20 per cent. to 25 per cent., and on exactly the same date prices at Smithfield market increased from 25 per cent. to 65 per cent., so the meat importers won on the Argentine roundabouts and the British swings again. Lord Beaverbrook tells us that this increase of 1½d. per lb. is equivalent to an increase in their profits of £8,000,000 per annum. I do not know how much it is, but perhaps the right hon. Gentleman will have it worked out.

Let us look at the bacon scheme and see what that means. At present, according to the right hon. and gallant Gentleman's own figures, for every ton of bacon produced in this country six tons are imported. A member of the Commission, however, states that for every ten tons of bacon and ham consumed in this country approximately nine tons are imported. This has no relation to marketing at all. It has no co-operative basis. The right hon. Gentleman starts out with the definite intention of increasing the price of home-produced bacon, but he enters into such an agreement with the importers and middlemen as to ensure that not only is the price of the one ton home-produced increased but that the nine tons of imported bacon is increased in a similar ratio. Therefore, we are going to enrich the bacon producer by giving the foreigner £9 for every £1 that we give to the British farmer. That is a fairly reasonable way of doing business.

But that is not the whole of the story. I have here a bill of a very illustrous firm of bacon vendors dated 3rd February, 1933. I do not know what relation it has to the Ottawa Agreement. It states:

> "Owing to the extreme shortage of English pigs, entailing an increased cost of raw materials and ratio of overhead charges, we are compelled to advance our prices."

I notice that the prices quoted here for Harris Wiltshire bacon of various qualities are just 65 per cent. over the similar qualities of Danish bacon. The margin between Danish and English bacon in 1924 was 12 per cent. It is now 65 per cent. Owing to a shortage of supply prices are about to increase, yet the right hon. and gallant Gentleman is introducing a Bill which is going to compel someone to charge a higher price than he actually wants to. I know that, with his usual Scottish generosity, the right hon. Gentleman wants to be fair all round. He talked about the producer of barley not being able to drink the beer. He must know that bricklayers for centuries have been building castles and walking out and building workhouses and walking in.

Sir JOSEPH LAMB: Is the import price economic and, if not, is it fair to compare an economic with an uneconomic price?

Mr. WILLIAMS: We are dealing with the world as it is and not as we should like it to be. The system in existence is competitive, and these figures and facts and problems are due to private enterprise and the laws of competition externally and internally. I am drawing attention to the scheme into which the right hon. and gallant Gentleman is entering whereby he permits the producer of home grown produce to market his sales on efficient, sensible and co-operative lines, but the 90 per cent. of the similar product which is imported is to be left in the hands of the importer and the middleman, merely because the right hon. and gallant Gentleman had not the courage at the last moment to see that organisation was the very basis of his scheme. Control your imports if

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you must, but control them with your home-produced commodities in one national scheme, so that if the world does care to send us large volumes of cheap food there is no reason why we should be called on to pay extraordinarily high prices which the producer abroad is not likely to get.

The right hon. and gallant Gentleman is not assisting the producers at all. I suggest that the margin of difference between the price of Danish bacon in 1924 and the price to-day—65 per cent.—ought to be big enough to produce an economic price in this country. What is the scheme the right hon. and gallant Gentleman is now attempting to persuade the House to accept? "Elaborate clumsiness," says Mr. Garvin. I think it is elaborate clumsiness par excellence. The right hon. and gallant Gentleman says we cannot afford to accept cheap food. He regards a plentiful supply as a sort of nuisance, and says to the world: "It is very true we require a great deal of bacon, butter, jam and all the rest; we know that you have huge surpluses and you would like to dispose of it, but we prefer not to accept it. We prefer to accept a lesser proportion and pay a much higher price for it." The right hon. and gallant Gentleman's generosity knows no bounds. What consideration has he given to the producers of coal and of steel, for after all they constitute the biggest customer of the British farmer? They consume a goodly proportion of home-produced food, as well as imported food.

I wonder if the right hon. and gallant Gentleman, who tells us we cannot afford to buy cheap food even if the quality is as good as home-grown food, has noted the changes in the consumption per person per annum. In 1913 the consumption of butter per head was 9.9 lbs. Because of the persistent fall in the price level, the consumption per head in 1931 was 18.74 lbs., or almost double the quantity. Curiously enough, during the same period the average consumption of margarine, which in 1913 was 3.71 lbs., diminished to 1.68 lbs. The right hon. Gentleman apparently would prefer to lift the price of butter to a point where the worker cannot afford to pay it, so as to compel him to buy more margarine and less best butter. That is the implication of his Bill, although I know that personally he would not desire that to take place. Then take the consumption of bacon. In 1913 the annual consumption per head was 16.44 lbs., and in 1931 it was 31.37 lbs., so that the decrease in price permitted the sales of bacon to extend into the lowest and most poverty-stricken layer of British society. As you increase the price by 2d. or 3d. per lb., you will cut off from the market the lowest layers of society, your consumption will diminish, and your second state in agriculture may be infinitely worse than your first. The same thing applies in regard to beef. Consumption went up from 22.15 lbs. per head to 31.05 lbs. between 1913 and 1931, and the consumption of mutton and lamb rose from 13 lbs. to 18.18 lbs. over the same period.

If the right hon. and gallant Gentleman could have pursued the policy of the Labour party, he need not have cut off the 3,000,000 unemployed as consumers of best butter, beef, mutton and bacon. He could have retained these consumers by the simple process of establishing an Imports Board to operate under Part I of this Bill, whose duty it would be to apply an Order made by the Board of Trade, and who would be responsible for importing from the various exporting countries the requisite quantities according to the Order. They then could have marketed that bacon or other produce at a price which would not have been an increased burden on the consumer, but which, because of its volume, might have ensured that the home producer would have received an economic price for the proportion he produced. There would have been no exploitation by the importer or middleman, and no curtailing the opportunities of the buyer of buying cheap articles. When the foreign producer of bacon and ham sees the wisdom of organising his output to meet a known demand, then he will insist on an economic price being paid for his produce. There is no reason why the right hon. and gallant Gentleman should say "Because you lack the wisdom to organise your output so as to meet the normal demand, you are accepting for your commodity a much lower price than it is really worth, and we will prevent you from sending the normal quantity and insist on you receiving a bigger price than you actually want."

Whatever the Labour party may or may not have done in 1931, they had a conception of an agricultural policy that would not have left the home producer to market his supply with the importer and middleman always on his heels. That is one of the chief weaknesses in this Measure, which ought to have started from a much firmer foundation and built up much more surely than this Bill is doing. It is a mere question of handing over the consumers in this country body and soul to the importers and middlemen, and to that extent you are creating price-fixing bodies in private hands which will be all-powerful once this Bill finds its way to the Statute Book. I am not sure that the time will not come when these bodies, for which the right hon. and gallant Gentleman will be responsible, will be able to dominate the home farmer as foreign produce dominates the home farmer to-day, and they can be of no value to the individual producer in this country.

Clauses 4 and 6 seem to me to be concentrated on restrictive output rather than on development. It is all cutting down and no expansion, and this just at a moment when we are talking about employing more people on the land. These Clauses seem to me to be rationalisation to perfection. In one part of his speech the right hon. Gentleman said rationalisation was faulty. Then he tells us that under Clauses 4 to 6, a development board will have power to close factories and insist on output being limited, and it seems to me that unless and until the right hon. Gentleman can go one step beyond his present stage of development there is not going to be a lot of hope for any one of the sections of agriculture.

There are three main weaknesses in this Bill. First, the Board of Trade under Clause 1 is to have unlimited power to restrict or control imports by figure; it may be total prohibition. Secondly, no sort of guarantee as to the price of imported commodities is apparently to be laid down, the one desire of the right hon. and gallant Gentleman being that the price must increase. The third defect is that these schemes are piecemeal, having no relation to any national plan. The right hon. and gallant Gentleman talks about the forthcoming milk scheme, and his bacon scheme and his dairy produce scheme. I am not a practical farmer, but my information is that in those countries where bacon production and dairy production have been a real success, there has been a definite relationship between the production of milk, butter and beef, and that unless these commodities are produced on a previously worked-out plan there can be little or no success for any one of the three, but jointly the three can be made a real success, as Denmark has demonstrated to the world. In Clause 15 the right hon. Gentleman sets out to amend Section 9 of the 1931 Act, by inserting the words "if the Minister so directs." Is the Minister afraid that he might be called on by somebody, in some peculiar form, to insist on the Reorganisation Commission establishing a development scheme against his wish? Surely, if he establishes a Reorganisation Commission it ought to be their duty to do something useful. The right hon. and gallant Gentleman seems to think it is sufficient to have them on paper in the Act of 1931.

In all these schemes, under which the middleman and importer are going to have the time of their lives, there is not one thing set down concerning the consumer. Is it the intention of the Government to call into being the Consumer's Committee referred to in Section 9 of the original Act? We should like to know whether that is intended or not, for unless it is intended we can see nine-tenths of the would-be value of the schemes vanishing before our eyes. In moving this Amendment, we are expressing our dissatisfaction with this weakling superstructure which has been imposed on the Act of 1931. We think the child is not a fit one for its parent. It ought to have been infinitely more substantial, and the next logical step should have been taken. If they must control imports, and I think they must be controlled at this time, they ought also to insist on controlling sales, so that the producer in this country will not be made to suffer. The scheme lacks plan. It establishes and perpetuates statutory bodies, through agreements with importers and the rest, and not merely as regards main commodities, for we are dealing with secondary commodities in Clauses 4 and 6. It is creating a state of vested interests and stabilising and perpetuating them in an effort, ostensibly to restore the prosperity of agriculture, which is going to place round the necks of con-

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sumers in this country a burden that they will have to carry for many a long year.

5.16 p.m.

Sir FRANCIS ACLAND: The Minister's speech was one of charm and earnestness in a great degree, and I should like to congratulate him upon it. I did not think the revolutionising of the whole structure of the industry of agriculture could have been put before the House in a time which seemed to pass so quickly. His motto might well be: "New States built while you wait." The subject of the Bill, if I may make a personal allusion, interests me profoundly, because for 20 years I was first a member and then chairman of the Agricultural Organisation Society, and then chairman for some time of the Agricultural Wholesale Society, which made rather gallant efforts, although not wholly successful efforts, to help the farmers of this country to organise their industry from the bottom. I gave to that work, I do not say the best but certainly the hardest work that I have done so far in my life, and the result of that work establishes this as the first question that comes into my mind as regards this Bill. Seeing that no country has succeeded in building up a successful agricultural organisation except from the bottom, will the Minister succeed in imposing from the top an organisation of that kind? That, it seems to me, is the principal object of the Bill.

The Minister starts at a time like this with things enormously in his favour. The industry is utterly down in the depths as it has never been before, and will stand pretty nearly anything which offers the certainty of price improvement. Therefore, I can understand the Minister's desire to get the necessary machinery established now while the industry is passing through the present crisis. The agricultural industry is rather like the people who live on the two sides of a torrent. When the torrent rushes strongly on the one side they cannot build a bridge, and when the torrent dries up they say that it is unnecessary to build a bridge. The agricultural industry has passed through times when it could well afford to finance a proper organisation, but when they are inclined towards better organisation they cannot afford it. Therefore, it must appear to the Minister a Heaven-sent moment for imposing upon the industry a complete system of control, and it must appear to the industry that they have a Heaven-sent Minister to give them higher prices, even at the cost of control. All the same my experience, such as it is, leads me to say that it is no use trying to rush the farmers into anything. They are very good men to lead if one has only the time and enough patience, and one does not mind things taking about five times as long as they ought; but they are very bad to drive. Like their own pigs in this, the more you twist their tails the less they like it.

I would ask the House to consider the penalties contained in the Bill. If under Clause 10 a registered producer contravenes a determination, he suffers such monetary penalties as may be specified. He is lucky that he is only fined. If an unregistered producer, under Part I, does not give the information required, he is liable to a month's imprisonment and to a fine not exceeding £20, or both. Occupiers of premises used by way of trade must make returns of stores, and if they fail to do so, they are liable to three months' imprisonment, or a fine not exceeding £50, or both. That will give a fillip to the art of stock-taking, any way. Anyone who discloses the information of a return without authority is liable to three months' imprisonment, or a £50 fine, or both. Anyone who produces a secondary product otherwise than is required is liable to three months' imprisonment, or a fine not exceeding £100, and also a fine up to the value of the article, or all the three penalties combined. Lastly, a licensed producer, under Part II, who does not furnish accounts is subject to penalties under Clause 6 which are not specified, but I expect that they have something like boiled oil in them.

In the original Act penalties are, I think, only mentioned twice, and in any case there is no power of imprisonment. This is simply an example of how authority grows by what it feeds on. I still have an old-fashioned prejudice against creating any new crimes. I should not mind imposing and, if necessary, increasing penalties if experience had shown the necessity of it, but somehow it goes against the grain that an ordinary man should have all these penalties imposed in advance from the top as an essential part of this Bill. I could understand the farmer being willing to be driven in this way if this were an emergency Bill for emergency ownership, but this is altering the structure of the whole industry for all time.

The Bill leaves a great deal in doubt, but it stabilises one thing for certain, and that is the whole system of quota restrictions against foreign supplies. I want to look at that question on a little bigger scale than the Minister looked at it. Almost every hour of our lives we realise the fact that the world has got into a terrible state largely because Governments have acted departmentally rather than in a broad national and world interest. They began by saying that they would not buy one another's goods, and then they found that they could not sell their goods. They did not then come to the conclusion that they ought to buy if they wanted to sell. They thought that the reason why they could not sell was that their goods were not cheap enough. Therefore, they proceeded to give subsidies to this or that sectional interest, according to which sectional interests were most distressed or most powerful politically. That stimulated a further world supply of things of which there was already an over-abundance. Other countries retaliated by duties and quotas, a newly discovered weapon against trade depression.

We have to get back out of the process of alternate stimulation and restriction, somehow, and on our chance of doing that we are staking everything, our own prosperity and the prosperity of the rest of the world, on the World Economic Conference. Success at that conference is vital to the continuance of civilised society. Surely, the interests of any individual industry, even the greatest of all, agriculture, in this country ought to be and must be secondary for a time, to the success of that conference. If that conference is to succeed, as we all know, according to the Government's plan, it must be preceded by a good settlement with the United States. Therefore, I would ask the House, does it improve the prospects of the success of that conference and a settlement with the United States that as regards the only named products in this Bill, bacon and ham, it may be intended to put heavy restrictions on imports of bacon and ham from the United States? The United States was our second best customer in the last normal year, 1930, for which figures are available. This matter is of great importance. The prosperity of agriculture in the long run depends on the return of prosperity to the customers of agriculture much more than on the most heaven-sent marketing scheme. Therefore, sectional interests, however important, must give way to national interests, and in these times even national interests are subordinate to and dependent upon world interests. It is largely because sectional interests whether in regard to wheat, sugar, steel or ships have been specially selected for artificial encouragement and corresponding restriction of foreign supplies that we are in the mess that we are in the world to-day, and if we do not take care this Bill will add to it.

Hon. Members may ask, does that mean that the farmers' interests are to be ignored? Certainly not. The farmers know well enough, if they think, and they are very much inclined to think carefully about these things nowadays, that the main reason why they cannot sell their meat, their bacon, their butter, their cheese and so on is simply because the people in the great industrial districts are suffering from the terrible cumulative effects of long-continued unemployment. They cannot buy and they are down to-day to bread and margarine and potatoes. It is no use saying that these things can be put right by any marketing scheme, so long as that goes on. We are told that the Government are concentrating and planning ahead, and I hope they are doing it now although they do not tell us much about it, for the World Economic Conference and a settlement with the United States. If they cannot be on one foot all the time let them at any rate be on one foot, the same foot, until we see how the settlement goes. Do not let us handicap ourselves in advance by allowing one Minister to take one line by imposing heavy quotas on foreign supplies while other Ministers are trying to clear the road for action in other directions.

Now I come to another point. I have said that agriculture depends primarily on the prosperity of its customers, but it depends also on the good will of its customers, the people in our towns who buy the produce.

[Sir F. Acland.]

I was a member of the committee which was entrusted with the duty of buying forage during the War, and I had to meet the complaint of farmers that I was not giving them enough price for their hay. They have never had such a price before or since, and they would be very glad of the price now. They said that I was hard. I told them that they were not the only pebbles on the beach. When as farmers we are considering these things it is well to put up these figures on our looking glasses so that we can see them every morning, seven on the one side and 93 on the other; and remind ourselves that out of every 100 people there are only seven who want food to be dear and 93 who want food to be cheap. We must have some regard to the goodwill of the 93; we must secure the continued goodwill of the 93 if anything really permanent is to be done.

The Bill, in Clause 2, makes it clear that not until the regulation and control of imports are in working order are sales of any product in this country to be regulated. Duties first, pleasure afterwards is a good principle, but duties and quotas first and regulation afterwards is not quite a good thing. If duties and quotas come on first, industries are apt to take a long time to organise themselves afterwards. We have an example in the steel trade. The Government deliberately gave the steel trade three months' duties in which to put their house in order. It was not enough. They gave them another three months, but not enough. They have now given them two years, and I do not know whether that is enough, although we are told that they are moving. If that happens with regard to foodstuffs there will soon be a strong feeling against the instrument under which it is done, namely, this Bill. There are three things to be noted as arising out of the Measure. The first is, that this idea of restricting foreign supplies before the regulation of home supplies is not in accordance with the recommendations of the Pig Report. On page 23 it is expressly stated that there must be regulation at home so that no curer shall have bacon except from pigs supplied under contract, precedent to the regulation of imports, and they recommend it as a special and essential protection for the consumer. That goes west in the Bill—the order is reversed. On the second point let me give an authority which is almost as great as that of the Minister of Agriculture. A few months ago there was a political conference at Glasgow at which the Ottawa Agreements were criticised. One speaker complained that it was ridiculous to employ foreign labour to produce food which we could supply ourselves. To that the chief speaker replied in these words:

> "When you organise your industry and make your effort and show that you can do it, then you can ask the Tariff Board to talk business, but don't talk rubbish."

That speaker was the precedessor of the right hon. and gallant Member at the Ministry of Agriculture; he is now Home Secretary. His principle, clearly, is organisation and regulation at home first, and restriction of imports second. I prefer that order to the order which it is put in Clause 2. The third point is this: The original Act, the Agricultural Marketing Act, gave the consumer some definite protection by means of a consumers' committee. The Bill takes power to go behind that Act altogether and to regulate the production of any article without employing the machinery of that Act. In Clause 2 hon. Members will see that the Minister

> "may by Order regulate sales of that product by persons producing it in the United Kingdom or by boards, administering agricultural marketing schemes."

It does not say that he may regulate the sales of a product by means of boards administering agricultural marketing schemes, but that he may regulate them by persons producing the commodity or by boards. Regulation otherwise than by boards, which is clearly contemplated, would not give the consumer any say at all in so definite a way as the original Act.

These things are rather ominous, and as a representative of agriculturists I say that they are ominous quite as much from the farmers' point of view as from the consumers' point of view. The farmer wants anything that is done to have some certainty of staying done. If supplies from abroad are restricted without anything much being done here to extend and improve the service to the consumer, the restrictions will be unpopular; they will not stay done. The Government will not always be able to count on a steadily falling level of world prices to cloak the rise in the prices of things upon which they put a duty. Sooner or later the shoe will pinch, and the consumer will rebel. No one will be returned from an industrial district unless pledged to take off the restriction. Protection will go, and the farmer will be left in the strait waistcoat of this Bill, with all its regulations and penalties. And he will not like it. I am speaking on the farmers' behalf. They have been had once. They remember that, in spite of the promise of four years, the Corn Production Act was repealed within a year of being passed. They say that they were done in by that repeal. As a matter of fact, I was sitting on the opposite bench at the time and I protested against the speech made by the right hon. Member for Carnarvon Boroughs (Mr. Lloyd George) announcing the policy of the repeal of that Act. When people have been done once they are apt to remember the proverb, that if a man does you once it is his fault, but if you allow the same man to do you twice it is your fault. [AN HON. MEMBER: "It is a different man."] Yes, but it is the Government of the day, and farmers have been taught by that experience not to trust to short cuts and to realise that it is very dangerous to attempt to do things which may upset the great centres of population, upon which they depend for the sale of their produce. At any rate, the principle of the Bill is that although these regulations will be unpopular with farmers they must be bribed into accepting it by restrictions on foreign supplies put on beforehand. Restrictions put on in that way will never be worth three years' purchase as long as we remain a predominatingly industrial country.

The plan of this Bill may be a short cut in this Parliament, which is, of course, still Protectionist, because the ruling policy of the Tory party has always been 10 years out of date, but it is a short cut which is very dangerous to those it professes to help, and we shall do our best to alter it. That does not mean that I do not think, with many other people who care for agriculture, that we must revive and recondition our countryside. That must be done mainly by townsmen's money, because the countryside is pretty nearly bankrupt, and it should be done by definite measures under which you can show the town taxpayers exactly what they are paying and what they are getting. It would be much better for the towns to put up a certain amount of money to do definite things than to allow duties and restrictions to be gradually imposed on foreign foodstuffs, because they will inevitably force up food prices which will react on the wages of the people and higher wages will react on the price of commodities which the people produce and, therefore, handicap us in the markets of the world in which we now have a struggle to maintain our position.

This Bill is not for an emergency but for all time. Once it passes, the House of Commons will lose control. Orders, of course, are to be laid on the Table of the House dealing with commodity after commodity, product after product, bacon, milk, cheese—there is only one stage—and if the Order is passed it will settle it, and another piece of partial Socialism will be fastened on the industry. Can we really contemplate this while we leave our land system as it is now? I know that freeholds have been increasing and that large estates have been automatically broken up by Death Duties into something worse, for want of something better to replace them, but a great deal of our land is still under the landlord-tenant system, though that system is failing and should be superseded. This Bill simply props it up. It does not foreshadow or contemplate any better alternative. As a landowner, I say that that is wrong. The whole of the advantage of de-rating has already passed to the landowner, for practically every landowner has been forced to reduce his rents and he would have to reduce them further by the amount of the rates if rates had still been levied. It helps me to prevent myself being entirely ruined. I am living on an overdraft which my bank is able to bear without having to close its doors. If the whole of the advantage of this Bill is to be absorbed by the landlords, if not immediately nevertheless steadily and automatically, when tenancies change, then I think it will be a mistake and is altogether on wrong lines. We cannot revolutionise the structure of agriculture and leave the tenure of land where it is. The necessary work on that subject was done by the right hon. Member for Carnarvon Boroughs and the committee which worked with him. That work cannot be ignored when you are revolu-

[Sir F. Acland.]

tionising the structure of agriculture as you are in this Bill.

Does that mean that I should like to see the Bill entirely destroyed? No. As things stand now I feel that I should like to see something very much simpler substituted for it. If Part II, the bacon part, without so many penalties and with more safeguards for the consumer, was brought forward as a temporary measure of restriction and applied to bacon and hams, there would be a great deal to be said for it. The Pig report said that the pig price cycle has been the curse of the industry at home and abroad. Pigs are either gold or mud, but they never remain one or the other long enough for the farmer to make them into a steady permanent element in his operations. Whether we can do that in this country without also proceeding to stabilise by methods of this kind the milk industry, with which the pig industry is so bound up, I do not know, but that special element enters in the case of pigs, as it does not in other cases, and that pig price cycle is of course due to the fact that the pig population can be multiplied so rapidly.

It is rather notable that in the Pig Report it is made clear that the changes in the pig population have been the chief cause of the cycle in pig prices, and that imports have had only a minor influence in that direction. It is a common expression that this or that thing might happen if pigs had wings. Many a farmer, I think, when looking at a numerous litter of pigs must have thought how much easier the pig industry would be to him, not if pigs had wings, but if pigs had twins, like the better behaved sheep, and did not multiply so rapidly as they do and dislocate all his plans. There is this, too, that differentiates pigs from say, stock—that whereas when we come to stock, as we may do later under this Bill, there will be only one market for producers to send their stuff to, and they will have to send their stuff to that market when the market wants it, where the market wants it and of the quality that the market requires, and if they do otherwise will be liable to a fine or imprisonment, but that in the matter of bacon and pigs there is under the Bill an alternative outlook. There will be control, but it will not be as rigorous as the control in the case of stock, because of that alternative outlook.

The Report says that other countries suffer from the price cycle as we do, and that means that they should be willing to enter into agreements to stabilise supplies. It seems to me that if the Minister, as a temporary measure, were to get the main importing countries—there are only seven that really count—to agree to send us the same percentages as they sent us in the average of the last three normal years, 1928 to 1930, and amounts so limited that they would give us a certain power of expansion as we improved our organisation of bacon factories and our methods of pig production—if things were proceeded with on those lines, I believe there would be voluntary agreement by all those main countries. On that basis a great deal of good and very little harm could be done. Although different points will arise that seems to me that that is the surest if not the quickest way of carrying on.

Restrictions of this kind are new to our industry. I regard this matter of pigs as a thing in which there is to be tried a very big Socialistic experiment. If that works, and if the restrictions are accepted, the way will be opened for further measures, if they are necessary, as a result of the experience that has been gained. As the Minister has said, the hop industry has been put into order without any of the machinery proposed to be set up under this Bill. I believe a great deal of progress could be made with other branches of industry on the same lines. I do not intend to mark time, still less to stand still, with regard to other organisations, but I do ask that there should be some hesitation before we try to do the whole thing in one fell swoop in this Bill. The Bill seems to me to be in its main principles a rather rickety colt that is not likely to mature into a stayer. It is by Quota out of Compulsion, which ought to be called Straight Waistcoat. As such I cannot like it, and I am afraid that I do not welcome it, but if the Minister would take a longer view and hasten more slowly I for one would do my best to help. I hope that that point of view will be considered before the House of Commons comes to a conclusion.

5.55 p.m.

Sir GIFFORD FOX: I venture to think that no new Member sitting for a constituency which is mainly agricultural could choose any better occasion than this on which to make his maiden speech, but in claiming the indulgence of the House, I will try not to transgress the Rules. To my mind, no Bill which so profoundly affects the whole of agriculture as this Bill does, has ever been introduced into this House. All of us who are connected with agriculture and have been pressing the Government to pursue an active agricultural policy, must admire the sincerity with which they have embarked on the proposals of this Bill. Whether we like the Bill or not—personally I like it—we must admit the Government's sincerity in embarking on what is a most complicated and thorny problem. It is the first concerted step that the Government have been able to take that will affect agriculture as a whole. It has only been made possible by the abandonment of the worn-out fiscal policy of Free Trade. To my mind one of the reasons why agriculture is in such a chaotic condition to-day is the policy of the State for many years in allowing foreigners to dump all their surplus food products in this country. Our markets have become the sump and dump for the rest of the world. The State, having allowed this, said to the farmer: "You do not know your business. You are guilty of disorderly marketing, and many other things." To my mind it is not so much the farmer who is guilty of disorderly marketing as the fact that the farmer has had a chaotic and disordered market in which to sell his produce.

The hon. Member for Don Valley (Mr. T. Williams) referred to Danish imports. It is interesting to look for a moment at the way in which the Danes organise their marketing. No doubt it is far easier to organise for an export market than for an internal home market. Danish methods of farming are no better than ours, but they have alongside their production side a highly organised processing side. They have gone in for grading, marking and standardisation. They have their milk factories and bacon factories side by side, working one with the other. A small man may produce milk. In the morning a lorry comes along for it, and after the milk has been processed it comes back in the evening as skimmed milk and is fed to the pigs. There is no reason why we should not take a leaf out of the Danish book and improve our marketing and give to the farmer an ordered market instead of a disordered one, which we shall be able to do under this Bill. The first place should be given to the home producer, then secondly to the Empire producer, and thirdly and lastly to the foreigner. I hope that advantage will be taken of facilities for marking produce so that the housewife when she goes to market will know whether she is buying home or imported produce.

We all agree that this is an epoch-making Bill, because it is the first legislative enactment which cuts right across the traditional individualism of the British farmer. The fact that the British farmer is prepared to sacrifice some of his individualism shows the serious and chaotic condition in which he is to-day. No Bill such as this can hope to escape criticism. Doubts have already been expressed as to whether the local country market towns will be seriously affected by the Measure. I am glad to see that there is no line or Clause which directly affects the interests of country market towns. In South Oxfordshire, the constituency which I have the honour to represent, we have perfect types of market towns. They have lived quietly, uncomplainingly, always hopefully upon the return of prosperity to agriculture. When agriculture is bad conditions in those towns are also bad. The local authorities suffer owing to loss of market tolls; people who have not much produce to sell have not much money to spend in the shops; the value of house property drops, and auctioneers and estate agents are the first victims. A blight descends on the entire district.

It is true that this Bill cannot benefit everyone immediately. It may affect certain interests and benefit others. We have to realise that the whole of the countryside is dependent on the prosperity of agriculture. Unless those who toil on the land can get a fair and just reward for their capital, skill and labour we cannot hope to find prosperity restored to agriculture. Under this Bill I think every interest will benefit eventually. It is rather like throwing a stone into a pond. The stone is increased prosperity to agriculture, and the

[Sir G. Fox.]

pond is the stagnated condition in which things are now. The impact of the stone will spread ripples of prosperity over the entire area, and soon everyone will benefit, perhaps not in the way originally expected, but nevertheless they will equally benefit under the Bill.

While congratulating the Government on the Measure, I think they could have done nothing less. We needed vigorous measures. As had been said, the country will forgive mistakes as long as something definite is done. This Bill is an attempt to solve the problem. The agricultural crisis is evident from figures relating to the land under cultivation. We find that in 1920 there were 12,190,000 acres under cultivation, but in 1932 the figure was only 9,366,506. The workers on the land fell in 10 years by 130,000. To-day we have real unemployment in the villages, in many cases where it has never been known before, and we all know that the farm worker when he loses his job does not draw unemployment benefit. In South Oxfordshire we have seen the advantage of Protection. We have the Morris motor works, which we have seen expand and become prosperous under Protection. Agriculturists have looked on and realised their helplessness, because, whatever they might do, the foreigner still continued to dump his produce in our ports.

For 30 years Governments have come and Governments have gone, all pledged in varying degrees to help agriculture. Now, when we do get a Government that is determined to help all of us who are interested not only in agriculture but in the prosperity of the country as a whole should give the Government all our support. We have had lifelines thrown to the industry in the form of the Wheat Quota, Import Duties and the Regulation of Meat Imports and, under the last mentioned measure, the catastrophic fall in the level of wholesale prices has been arrested. To my mind the fundamental problem which faces not only this country but the world is the question of prices. We cannot build up the prosperity of the consumer on the bankruptcy of the producer. The farmer cannot go on indulging in bankruptcy deals year after year with impunity and food sold at knock-out prices can, like cheap labour, become a national peril. Much of our manufacturing export trade is dependent on the primary producers in other parts of the world getting reasonable prices for their primary products. If they do not get reasonable prices, they are unable to buy our manufactured goods and, until prices are better in this country, it is impossible to expect prices in those other countries to improve. The recovery of the whole world is dependent on a recovery of prices and I regard this Bill as a definite attempt to raise the level of wholesale prices and enable the producer to get a more economic return for his produce.

I hope that one of the first branches of agriculture to be helped will be the pig industry. In that industry, not only the large farmer, but the smallholder and the cottager are directly associated. They are all interested in pigs and able to produce pigs. We had in Oxfordshire in the past, a bacon curing organisation which proved a failure. I hope that with a national application of the principle, the conditions which caused failure in the case of a local county scheme will be obviated and that success in the future will be assured. To-day we only produce about 30 per cent. of the 20,000,000 cwts. of pig products which we consume, and there is enormous room for expansion of the home production. We import no less than £50,000,000 worth of pig products a year and, I venture to remind the Minister of Labour, there is a chance, under this scheme of finding additional employment for some 70,000 people. I admit that the regulation of supplies coupled with the reorganisation of marketing is a very drastic measure of control, but agriculture is definitely going to benefit under the Bill and must expect to make some sacrifices in return for the benefits that it is to receive. The payment for those advantages is the measure of control to be found in the second and third Clauses of the Bill. I would say in passing that we have the example of the Horticultural Products Duty which has not resulted in increased prices to the consumer but has helped the producer in this country to find a market here for his produce. There is no reason, therefore, why the public should feel apprehensive about this Bill. There is nothing in this Bill to suggest the adoption of untried principles. The right hon. Gentleman the Member for North Cornwall (Sir F. Acland) mentioned the hop marketing scheme. We have seen the hop industry working under the 1931 Act and, if we measure the results of that small attempt, we can anticipate that under this Bill it will be possible to help other branches of agriculture on a much larger scale.

I foresee that an extensive campaign will be engineered against the Bill, and I would remind hon. Members that among the supporters of unrestricted foreign imports are the followers of the Liberal Darwen party. It fell to my lot to fight a by-election for the National Government, and, although I stood down in favour of a National Liberal candidate at the General Election, I fought a straight fight against an apostle of the doctrines of the Darwen Liberal party. In that election we had all the old fireworks and cries about food taxes and "Your food will cost you more," but they all proved like damp squibs, and I can assure hon. Members that the people of this country have at last realised that cheapness is not everything.

In the Bill obligations are imposed on the farmers and producers. It is up to them to produce their schemes and to realise their responsibilities, and I am sure that when they have done so the House will have an opportunity of deciding whether they approve their schemes or not. If the producers do not like a particular scheme there will be a postal ballot and they will be able to vote against it. There is a good deal in the Bill which will need detailed criticism. We have to guard against overlapping by the various organisations which will be set up, some official, some semi-official, and others not official at all. Finally, what is the alternative to this Bill? To my mind there is only one alternative. If we do not get an ordered market in which the farmer can sell his produce, then only bankruptcy lies ahead. We shall see both the farmer and the farm worker faced with bankruptcy; with nothing else to do but to walk off the land, which will mean a continued drift to the towns and more unemployment—the last thing we all want. This Bill, if worked with patience and care and sympathy, not only having regard to those interests immediately affected, but having regard to the country as a whole, will provide a chance of restoring prosperity to agriculture and at the same time helping the general economic position. I therefore offer the Government my warm support with the hope that they will not be weary in well-doing.

6.10 p.m.

Mr. ANEURIN BEVAN: I think that the House will expect me to congratulate—and indeed I do so with very great pleasure—the hon. Member for Henley (Sir G. Fox) upon the speech which he has just delivered. It is a real pleasure to listen to a clear voice and simple, practical language, and I trust that the hon. Member will afford us the opportunity on many future occasions of listening to his contributions. I rise to speak in this Debate with some diffidence. I cannot pretend to know anything intimately about the agricultural industry. But I do not apologise because on more than one occasion hon. Members have inflicted on me speeches about the coal industry, and I was as satisfied that they knew nothing about coal, as they may be on this occasion that I know nothing about agriculture. The speech of the Minister was significant in one respect. It is now admitted, except perhaps in the Primrose League or the Carlton Club, that the days of economic individualism are past. The Russians have won their first victory over the West. Planning is in the air. At the moment, however, our tribute to it is purely ideological, but we ought to see in the near future a more substantial contribution than this Bill makes to national planning.

I find some difficulty in understanding why the agricultural industry should be the first to be made the subject of an experiment in State planning. The Minister informed us that the Government had now to deal with what he called "the economics of glut," but why should the agricultural industry be the first selected for this experiment? There are other industries in Great Britain far more adapted to such an experiment than agriculture. After all, agriculture is is still the last great stronghold of individualism in our society. It has more small-scale production than any other industry; its methods are more diverse than the methods of any other industry, it is still subject to the caprice of natural conditions and is, therefore, less plastic and less adapted to the operations of any standardised scheme. If the National Government wanted to try their prentice hands at State planning, one would have thought that an industry more adapted to the purpose than agriculture would have been selected.

[Mr. Bevan.]

For instance, they might have looked at coal. A small beginning has been made. A small contribution has been made to the planning of the coal industry, but the industry is still a long way removed from being in an intelligent condition. Then there is steel. Is the steel industry so highly organised that you can afford to neglect it? Steel and coal are highly standardised products. They are simple products and these are industries which lend themselves, far better than agriculture, to State planning. Why then have the National Government selected agriculture? Is it because agriculture has been distressed for a longer period or has been more distressed than other industries? Is it because agriculture has received less assistance from the State? For the last 25 years agriculture has been the petted darling of hon. Gentlemen opposite. They exempted it entirely from the burden of rates, and now it makes no contribution to the expenditure of local government. I wish to heaven that the colliers of Great Britain were as good propagandists as the farmers. If we had been able to convince Members of this House and the mass of the people that the coal industry was entitled to the treatment which agriculture has received, we should have made progress many years ago.

Major the Marquess of TITCHFIELD: You have the quota.

Mr. BEVAN: The Noble Lord knows full well that the Act of 1930 was a very small beginning. It laid the foundation but the structure has not been added to since and the coal industry to-day is suffering as a whole from inter-district competition, just as it suffered from inter-mine competition before. Why then has agriculture been selected? Not because it has been distressed longer than other industries. I think it would be true to say that, apart from cereal production, agriculture has been suffering grievously only during the last year and a-half. I believe that the Labour Government conducted a Cabinet inquiry into distress in agriculture. The report was a private Cabinet report, but it has been rumoured that that committee found that only 10 per cent. of agriculture could be called distressed, and that that 10 per cent. represented cereal production. Yet it is this industry, with much the shortest record of depression of any of our great industries, and with more State assistance than any other industry, which is selected by the National Government as the subject for this policy.

Why has that been done? Obviously, because the landlord class is now as it ever was the backbone of the Tory party, and the purpose of the Bill is not scientific reorganisation, but the restoration of the revenues of the landlord class which are being imperilled. We shall see how far the reorganisation is to be accomplished. It is certainly not State planning as State planning has been understood. It is the substitution of organised plunder for disorganised theft. Whenever the Tories want any encouragement and advice they always borrow from the Left. The Tories never listen in this House to speeches with so much respect and awe, and, very often, lack of understanding, as they do to the speeches of the right hon. and gallant Gentleman the Minister for Agriculture and the hon. Member for Stockton-on-Tees (Mr. Macmillan) because they speak the language of Socialism, and the Tories pay an unconscious tribute to the learning and understanding which they lack. Whenever a job of this sort has to be done they select the Minister of Agriculture, as he is able to make a piece of reactionary legislation so like the last edict of the Comintern, and the Tories dearly love to be considered advanced. Now planning is in the air. Everybody is planning nowadays, even Ali Baba and the Forty Thieves. Everybody plans.

We welcome the Bill in so far as it is a declaration that economic anarchy ought to be destroyed, but we do not subscribe for a moment to the idea that the Bill now before the House is in any way a contribution to the scientific reorganisation of the agricultural industry. The hon. and gallant Gentleman said that the purpose of the Bill was to raise agricultural prices. I admit that he put in the word "wholesale" before "prices," but that sort of thing has become the ordinary bunk of politics. Everybody knows that the purpose of the Bill is to raise the level of prices of agricultural products generally. Why have the Government not gone forward in a straightforward manner and put on tariffs? I do not agree with them, but why do they not do it? Why are not the Government honest? They have said that tariffs are the most effective and direct way of raising prices. Why, in the case of agricultural products, have they not done what they have already done in the case of steel and in many other cases? Why have they not put on tariffs? Obviously, because there are certain difficulties in the way. One difficulty is the fact that there are Tory Members of the House representing industrial constituencies who would be frightened by a direct tariff. The right hon. Gentleman shakes his head. If the primary purpose of the Bill—and the Minister has explained it—is to raise the prices of agricultural products, have they not clapped 15, 20 or 25 per cent. on to the price? It is the direct thing, and, as they say, you get money. They would be serving the double purpose of raising the price of agricultural products and balancing their Budget. There can be nothing better than that.

As the hon. Gentleman the Member for Don Valley (Mr. T. Williams) explained, if there is any increase of prices most of it now will go into the pockets of the importers. Why not adopt the traditional Conservative method of putting on a tariff so that the money will go into the pockets of the State? Merely because there are difficulties in the way. The first reason is the fact that the representative of the industrial constituency in the House of Commons still has to try to satisfy his industrial constituents that he is not taxing his food. The second reason is that the right hon. Gentleman the President of the Board of Trade gave a very awkward pledge. He must be saved. If you are to maintain the structure of the National Government the right hon. Gentleman must be kept in it. And look what a nasty pledge he gave! You cannot put on a tariff; he stands in the way. It is true that he will not accept the 30 pieces of silver—he is a strong Nonconformist—but perhaps he will take payment by cheque. Is it payment by cheque? If there were some indirect way of doing the job, he might swallow it.

There is a further difficulty in the way. There is the Prime Minister. After all, the Prime Minister, although somewhat bedraggled, still has a few feathers left. He is still needed as the decoy duck to attract followers into the Tory fold. You have to save the President of the Board of Trade, you have to save the Prime Minister, and you have to protect the representative of the industrial constituency, yet, nevertheless, you must try to restore the revenues of the British landlords. It is a great difficulty. Nobody can solve the problem like the right hon. and gallant Gentleman the Minister of Agriculture, because it has long been known that he is the idea factory for the Conservative party. He comes forward with this proposal to-day, the principal purpose of which is to get the National Government out of their difficulties and, at the same time, to give the reality of food taxes without the political unpopularity of imposing them.

There is a further difficulty in the way of tariffs. There are the Ottawa Agreements. Indeed, the Ottawa Agreements are not merely difficulties with respect to tariffs but difficulties with respect to these schemes. There was no reason why you should have import regulation in order to get marketing schemes. Import regulations are not necessarily a structural part of the marketing schemes. They become a structural part only if the marketing scheme handles the sale of the imported product. But a tariff would satisfy all of the requirements of the agricultural marketing scheme. I have heard hon. Members say that if you could impose a tariff and give Great Britain safeguards and shelters against the capricious tides of world prices, you could, behind that bulwark, organise and plan the production of Great Britain. If you put a tariff on your imported products you could still have behind that bulwark a marketing scheme, because, as we understand it, the marketing scheme is to apply to the products produced by members of the marketing scheme and not by those outside the marketing scheme. In other words, the marketing scheme itself, as I understand it, will not be entitled to take the production of its members and also the analogous product which is imported and sell the lot. So that the answer cannot be, that the reason why you have regulation and not tariffs is because you must have regulation in order to be able to organise the structure of your marketing scheme. The truth is rather that the marketing

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schemes are the sugar upon the pill, which, in essence, is agricultural production.

I doubt very much whether, after the Bill has become law, you will see very many marketing schemes. The House will have parted with its traditional powers over the taxation of food. It will have given wide and unprecedented powers to the President of the Board of Trade to regulate the import of food into Great Britain, and once that power has been received the Measure is wholly permissive concerning the reorganisation of agriculture. Indeed, after the Tories have got their power to raise prices they may easily say to the Minister of Agriculture, "Now that you have done your job in agriculture you had better go to some other Department." I submit that if the Members of the House want to try to show that regulation is an essential part of the Bill, of the raising of agricultural prices and of the marketing of agricultural products, we have not yet heard the case. Ottawa is going to be a great difficulty, almost as difficult in the carrying out of these schemes as direct food taxes would be for the Tories in the industrial constituencies, because with regard to dairy produce the Government have committed themselves to the Governments of Canada, Australia and New Zealand, that not for three years will they either put on a duty or even attempt to regulate the exports of dairy produce from those countries. I will read an extract from the Canadian Agreement which is also typical of the Australian and New Zealand Agreements:

> "As regards eggs, poultry, butter, cheese and other milk products, free entry for Canadian produce will be continued for three years certain."

It says later on that this applies even to the quantitative regulation of the product, so that both with respect to price and to volume no import restriction upon any of the dairy produce of New Zealand, Canada or Australia will be permitted for three years. I want hon. Members to note this, if they will do me the honour. If the regulation is an essential part of the marketing scheme, then for three years the British agricultural industry, hit we are told, more on its dairy produce side now than on any other, will not be able to enjoy the benefits of the marketing scheme. The right hon. Gentleman shakes his head. Is that not so? Does he dispute the fact that His Majesty's Government have in the Ottawa Agreement agreed not to regulate or——

The FIRST COMMISSIONER of WORKS (Mr. Ormsby-Gore): Not without the consent of the Dominions.

Mr. BEVAN: The consent of the Dominion Government is to be sought after three years, and not before.

Mr. ORMSBY-GORE *indicated dissent.*

Mr. BEVAN: I beg the right hon. Gentleman's pardon. It is quite clear. I will read from the New Zealand Agreement:

> "As regards eggs, poultry, butter . . . free entry for New Zealand produce will be continued for three years certain. His Majesty's Government in the United Kingdom, however, reserve to themselves the right after the expiration of the three years, if they consider it necessary in the interests of the United Kingdom producer to do so, to review the basis of preference so far as relates to the articles enumerated, and, after notifying His Majesty's Government in New Zealand, either to impose a preferential duty on New Zealand produce, whilst maintaining existing preferential margins, or in consultation with the New Zealand Government to bring such produce within any system which may be put into operation for the quantitative regulation of supplies from all sources in the United Kingdom market."

It says that you must do this after three years, and even then in consultation with the New Zealand, the Canadian and the Australian Governments. I ask the House: what is left of the right hon. and gallant Gentleman's peroration? Over a vast range of British agriculture no protection is to be given to the British producer against Dominion commodities. If it is argued that, after all, this is part of the broad Imperial policy of a National Government, I would point out that in the case of the New Zealand Government there is an almost unlimited capacity to produce certain agricultural products if their import is restricted from any other country outside the Empire. At a time when dairy produce prices were falling, production in New Zealand went up. At the present time, when it is complained in the House of Commons that the whole problem is the fact that prices have fallen so calamitously, New Zealand is increasing her exports of butter, and in order that she may continue to enjoy the advantages of the British market she has already changed the value of her exchange from 110 to 125. By decreasing the world value of her exchange, the New Zealand Government have put a bounty upon the exports of New Zealand to Great Britain and a restriction on the export of manufactured goods from this country to New Zealand.

Is this not against the spirit of the Ottawa Agreements, but is it not in fact permitted by the letter of the Agreements? If New Zealand is able in 1933 to give an artificial stimulus to butter exports, to the great embarrassment of the farmers whom the Government are supposed to be saving, and will be able to continue to do that for three years, and, if we restrict the imports from Denmark, Sweden and Norway, they will be able to increase their exports to Great Britain in just the proportion in which they are reduced from outside the Empire. I would ask the Government to state the purpose of this Bill honourably. Its purpose is to increase the price of agricultural produce to the British consumer in order to put money into the pockets—of whom? Not of the English farmer; there would be something to be said for it if that were the case. If I were a Tory, I would say, following up the arguments that we have heard to-day, that there is something to be said for asking a colliery worker or a textile worker who is trying to live on 15s. a week, to pay more for his butter, milk, eggs and bacon in order that we may restore prosperity to the British countryside. Perhaps we might say that the restoration of prosperity to agriculture might do something to restore the balance of British economy, and, ultimately, to provide employment for the industrial workers. But this Bill will not do that. It will sacrifice the British industrial consumer, not to the countryside of Great Britain, but to New Zealand, Australia and Canada.

I would suggest, therefore, that it is time Conservatives in the House of Commons ceased to listen with such obvious credulity to the blandishments of the Minister of Agriculture, because he has "put it across" them. He has been selected by the Government as the right man to "put it across" them, because he speaks in the language of the young. Like other Conservative planners, he is walking backwards with his face towards the future, and he is saying, "Look where I am looking." I say to him, "Look where you are going." There are some reasons why I sympathise with the right hon. and gallant Gentleman. He has the same difficulty with his friends as the late Mr. William Graham had with his enemies. When Mr. Graham was negotiating the Coal Mines Act he had, because of the division of parties in the House of Commons, to produce a Bill which would be largely satisfactory to the miners, the mineowners and the coal factors. All the demerits of that Act are due to the fact that he had to satisfy those different interests. As a consequence, I am bound to say that, apart from the small reduction of hours, it was a rotten Measure. As a consequence of that attempt to placate mutually contradictory interests, it was not possible to produce a piece of scientific Socialist legislation. You have to cut some of the dead wood out.

It is the outstanding difficulty of politicians that they will try to produce legislation that everybody will appreciate. In order to produce a piece of legislation which will scientifically deal with difficulties, some interests must be sacrificed. Here is a typical illustration of a Bill imposed on the Minister of Agriculture by the rival interests of the agricultural industry and the importers. If the right hon. and gallant Gentleman wanted scientifically to reorganise agriculture, the one thing he had to do was to cut out the importer, but he could not cut him out because he is too deeply embedded in the councils of the Tory party. They are here to defend the importer, and the agricultural industry will have to make up its mind between one interest and another. We cannot protect the British agricultural labourer, the farmer and the factor at the same time. The Government could have come forward with a Bill and said that as Great Britain has to buy a large volume of agricultural produce in the foreign market they would set up a bulk purchasing board to buy at the world price. There is no reason why they should not have done that. The case of my hon. Friend the Member for Don Valley has not been answered, and it will not be answered. The Government could have determined what quantity they were going to buy and have

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bought at the buyer's price, because the seller is in difficulties. They could have used the fall in world prices as a cushion to protect the agricultural industry in a time of reconstruction. But they have done no such thing.

When the right hon. and gallant Gentleman said that this was a contribution to the raising of world wholesale prices, he was stating what he knew very well was not the whole truth. I will not put it more strongly than that. He knows that it will not increase the price of goods to the exporter, but will very largely put money into the pockets of a number of importers, and neither the agricultural nor the world consumer will have any benefit from it. I submit that behind the highly flexible machinery of a bulk purchasing board it would have been possible to organise the British agricultural industry; but behind this clumsy method, as a consequence of the Ottawa Agreements, it will not be possible to do that. I am not able to enter into the technical details of the production of bacon and eggs, and I will not attempt do so. I can only deal with the general outlines of the structure. I am interested, because this is the first occasion upon which a Government has attempted to apply the principles and the methods of what has come to be known as modern State planning to any industry in this country, but I am frankly disappointed that the Government have not had the courage to say that this job can be done only if we are going to sacrifice certain of the clamorous interests in the trade.

The main difficulty, so far as I see it, is this. The agricultural industry has a relative over-production of goods, but, when hon. Members refer to the over-production of goods, let them remember that that is not the whole of the statement. Over-production of goods on the one side is accompanied in Great Britain now by under-consumption on the other. What you call over-production, we call under-consumption. You are not going to save the agricultural industry of Great Britain by making it more difficult for industrial workers to buy agricultural goods. One of the reasons for the glut which exists to-day is the poverty which exists in the world. If you want to solve the problem of glut, solve the problem of poverty first. The problem then would be simply the distribution of the available labour force over the different industries depending upon the difference in quantities of goods consumed by those who have the purchasing power.

I protest against this Bill, first because it is not a real piece of planning; it is pseudo planning. It is commercial brigandage using the language of modern science to conceal their political brigandage. I protest because the House of Commons is being deceived. Before the Government's delegates went to Ottawa, I asked, amid the jeers of the House, what the Government's policy was, and what they were going there for. They came back home with commitments that make it impossible to carry out their present intentions. They have come home with a millstone round their necks. I protest because the House is not getting what the Minister claims he is giving. I protest because the British industrial consumer ought not to be sacrificed to the revenues of farmers in other parts of the world. I protest, lastly, because it is an outrage that the House of Commons should have to consider a Measure the chief purpose of which is to make it more difficult for my own people to live decently, that gives no protection to the agricultural labourer, and that allows the landlord to take his pound of flesh out of the land at a time of increasing starvation in those districts which are already disheartened and in despair after 12 years of industrial depression.

6.45 p.m.

Viscount WOLMER: I rise to congratulate the Minister of Agriculture on having introduced this Bill and on his brilliant exposition of it in his opening speech; but I should also like to take the opportunity of congratulating Dr. Addison, and those who worked with him, on the results of the Agricultural Marketing Act, 1931. If Dr. Addison had not made us a present of that Act the National Government would not be nearly so far forward with their agricultural policy as they are to-day, and those of us who are supporting and welcoming this policy owe it to Dr. Addison to acknowledge the service that he rendered to agriculture in laying that foundation-stone. I wish I could congratulate my hon. Friends opposite on their attitude to-day. Instead of rejoicing in the fact that when they were in office they did introduce one Bill which has been proved of service to agriculture, and taking it as a compliment that the present Government have proposed a development and an extension of that Act, they have resurrected the old cries of party warfare, which really bear very little relation to the problem we are now considering.

I think my hon. Friend the Member for Don Valley (Mr. T. Williams) was really conscious of the weakness of his case when he was moving the Amendment, because—I hope he will forgive me for saying so—his argument in many places was really a little bit too thin. Of what did he complain? In the first place, he complained that the Bill would raise prices. Everyone who has studied the agricultural problem knows that the first thing we have to do is to raise wholesale prices. The Minister of Agriculture has frequently said that it is the object of this Government to raise wholesale prices, and when the hon. Member's party was in power, and Dr. Addison was Minister of Agriculture, his object was to raise wholesale prices. The Agricultural Marketing Act, 1931, said so. In the very first draft of the Bill it said the object was to stabilise agricultural prices.

Mr. T. WILLIAMS: Stabilise, but not raise.

Viscount WOLMER: I do not mind whether we call it stabilising or raising. We are not going to touch the agricultural problem in England unless we deal with the question of prices, and everybody who has ever studied the problem knows it. Then the hon. Member complained that there was no reorganisation mentioned in this Bill. Under the Agricultural Marketing Act, 1931, and under this Bill, the greatest reorganisation agriculture has ever undergone is to take place. We now have either in being or on the anvil nine marketing schemes, covering the great part of the field of agriculture. There have been reorganisation commissions on milk and on pigs, there is one sitting on meat and there is a potato scheme introduced by the National Farmers' Union. Those four schemes alone cover the most important products of British agriculture. What does my hon. Friend mean by talking about there being no reorganisation? We have the work of reorganisation going on, and this Bill will implement that work and enable it to be carried out. Then my hon. Friend said there was no security for the consumer. What about the safeguards in the 1931 Act? The consumers committee set up by that Act will still remain. It will have to exercise its functions under every one of these marketing schemes. The co-operative societies are given special representations on that consumers committee.

Mr. WILLIAMS: The Noble Lord must remember that while in Clause 15 of this Bill the reorganisation committee is referred to, and actually has been used on occasions, and the investigation committee also has a reference in the Bill, there is no reference to the consumers committee, and we must conclude that the Minister has no intention of using the only safeguard for the consumer.

Viscount WOLMER: If the hon. Member reads his own Act he will see that that committee is set up, and the fact that no reference is made to it in this Bill means that it stands and is not repealed. It is going to function, and it will have to carry out its duties in respect of every one of these schemes, and all the safeguards which the Labour party designed to deal with consumers' interests will hold good in every scheme undertaken under this Bill.

Mr. WILLIAMS: Will the Noble Lord tell us whether the consumers' committee has actually been brought into existence or not?

Viscount WOLMER: The only scheme in existence is the hops scheme, and as the only consumers of hops in the techical sense are the brewers I do not know whether the Minister of Agriculture has thought it worth while to appoint a consumers' committee for that scheme. The hon. Member had better put down a question to inquire. Then my right hon. Friend the Member for North Cornwall (Sir F. Acland) damned the Bill faintly. He said that we were trying to force on co-operation from above. That is not quite fair. Every one of these schemes is brought forward by the farmers themselves; in most cases I am glad to say they are sponsored by the National Farmers' Union. They have to be submitted to a poll of the farmers in all the districts, and the idea that this system is being forced upon the farmers is a complete mistake. The truth is that there has been a profound change in agricul-

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tural opinion upon this matter during the last two years. It is true that at first the farmers did not like the idea of the Marketing Act, especially when they saw that it was unaccompanied by any Protection, but when this Government told them that Protection and reorganisation must go together the farmers responded heartily. They have had enough of the old plans, the old methods, and are going to try the new methods whole-heartedly. My right hon. Friend went on to say that we must get rid of quotas. Whether it is by the quota system or tariffs or other methods everybody knows we cannot possibly hope to reorganise British agriculture unless there is some shelter against dumping while that reorganisation is going on.

Mr. A. BEVAN: From the Dominions as well?

Viscount WOLMER: The hon. Member talks about the Dominions. He knows, and the whole House knows, that the Minister of Agriculture has already made a voluntary agreement with the Dominions for the regulation of meat, and there is nothing in the Ottawa Agreements to prevent agreements between the British Government and the Governments of the Dominions going on in the future as they have been so successfully conducted in the past.

Mr. BEVAN: Will the Noble Lord say to what agreements in the past he refers? [HON. MEMBERS: "Meat!"] I am asking the Noble Lord what is his reply to the difficulties of regulating dairy produce, which is a very important part of British production.

Viscount WOLMER: The Minister of Agriculture was able to make an agreement in regard to meat with New Zealand and with Australia last autumn, and there is nothing in the Ottawa Agreements to prevent him making similar agreements with those Governments, or with the Canadian Government, in regard to dairy produce. That is specially provided for in Sub-section (2) of Clause 1 of this Bill. I am sure that the agricultural community welcome this Bill and the policy that lies behind it. I believe we are at the threshhold of very great developments in British agriculture. It is true that we have undertaken a most formidable and difficult task. We have got to build up an organisation to deal with our own market at a time when that market has already, to a large extent, been captured by others, and that has to be done in such a way that the normal food supplies of the people are not interfered with, and without violation to our commercial agreements. We have made a good start. We have schemes worked out for dealing with nine agricultural products, and I am perfectly certain that the farmers are determined to give this new policy a fair trial.

I happen to have been associated with the hops scheme, the only one in actual operation. I took an active part in promoting it, and addressed a number of meetings of farmers, and when we had a poll on the scheme over 93 per cent. voted in favour of it. That scheme has been working only a few months, but I am perfectly certain that I am not exaggerating when I say that if we had another vote among the hop-growers to-morrow we should get a majority not of 93 per cent. but of 99 per cent. Although it is possible that that scheme may be improved upon, and that proposals may be brought before the House before many months are past, it is not too much to say that it has revolutionised the economic position of the hop-growing industry. It has enabled growers to get together and to meet their customers on equal terms, which it was quite impossible for them to do so long as they had not the organisation. My right hon. Friend the Member for North Cornwall, whom I am glad to see in his place again, has rendered the greatest service to agriculture in the past in attempting to promote a co-operative society. It was really, if I may say so, his glorious failure which, I think, has made agriculturists turn to the sort of machinery we are considering under the Agricultural Marketing Act. Where he failed and where others like him failed it was impossible to expect that other men would venture. A new method had to be tried. He surely proved beyond doubt that it was impossible to introduce co-operation into British agriculture in the condition of affairs which had existed until two years ago, under which our markets were captured by our foreign and Dominion competitors, and where organisation had passed out of our hands, out of our control. It was impossible to build up a co-operative organisation under those conditions.

The policy of the Marketing Act and this Bill will enable the marketing side of British agriculture to be organised, for the first time, from the producers' end. To enable that to be done the State gives its assistance; gives the sanction of compulsion, which is to be found in the Marketing Act, and the sanction of protection, which is to be found in this Bill. Without those two sanctions we shall not be able to achieve the birth of agricultural co-operation in this country, though I am not saying that after it has been established for a number of years, after it has proved its usefulness, we might not be able to maintain it without those two sanctions. I am perfectly certain that it is impossible to bring agricultural co-operation into being unless you employ those two sanctions. The old days of English farming, when the farmer could usefully do all his buying, and his selling of pounds of butter, eggs and pounds of cheese, have passed. At the present moment we do not sell cheese by the pound, but by the ton, and the hundreds of tons. Marketing has to be done by whole-time experts. The farmer has to stick to his job of producing, and leave selling to his own appointed representatives. That is the gospel we have to preach to the agricultural community, and which I believe the agricultural community is showing its readiness to accept. That is the policy which we shall be able to pursue in measures such as that now before the House.

I am not afraid when people tell me that this is Socialism, contrary to individualism, or against the traditions of the Tory party. I claim to be as bigoted and old-fashioned a Tory, and individualist, as most people, but in these matters I feel like the squire who said: "Religion is all right so long as it does not interfere with your private life." If common sense, and the conditions of the moment, show me that we require new methods in agriculture, and in the marketing of agricultural products, then I am anxious and willing to try them. I believe that the efforts of men like the right hon. Gentleman the Member for North Cornwall in trying to build up co-operation on a purely voluntary and Free Trade basis, has shown us that there is no success on that line of progress. We have to fall back to the lines of coercion of the individual, and the minority, in the interests of the majority, in order to get 100 per cent. organisation at home, and to some protection by quotas of imports.

With these two instruments, I see no reason why we should not be able to build up an efficient marketing organisation in this country, without which I do not believe British agriculture can survive. Such an organisation is not only in the interests of the farmer, but in the interests of the consumer as well. The Minister of Agriculture was perfectly right when he said that a man who was buying produce at less than its production cost was a man watching a clock running down. Consumers are not to be benefited by a continuance of the condition which prevails in agriculture at the present moment. The town producers are not going to be benefited by the decay of agriculture. Our own countryside is the best, and greatest, market our towns have got. The prosperity of the country will mean the prosperity of the towns. In the chaotic condition in which world trade and agriculture find themselves at the present moment, we must have some method of regulation. I believe the Government are taking a perfectly right step in pursuing that line.

7.5 p.m.

Mr. de ROTHSCHILD: I trust the House is fully aware of the interest the Liberal party has always taken in agricultural marketing, and the reorganisation of agriculture in this country. I was very pleased to hear the tribute which the Noble Lord paid to the right hon. Gentleman the Member for North Cornwall (Sir F. Acland). I should welcome this present Bill if I thought it really carried out all that the Minister of Agriculture claims it will do. It is really only complementary to what is called the principal Act, namely, the Bill brought in by the Labour Government in 1931. In one sense it is merely the extension of principles contained in that Act, and it is that part of the Bill which I welcome most. I am alluding to the new schemes which will be extended under this Act to secondary produce, and the industries which depend upon agriculture. This is a very valuable addition which will enable the primary and secondary producers to manage their business in a more economic and comprehensive manner. Bacon at present is the only industry affected by this Act, but there are nine schemes under considera-

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tion, and these hold out the prospect that powers may be taken in any one of those industries which are dependent for their material on agriculture. Personally, I look forward with great interest to the time when the great industry of beer will also come under the same Marketing Act. No doubt we shall have some lively discussions on the Floor of the House on that occasion.

The Act, and this Bill, are enabling Measures. The Act of 1931 was an enabling Act, in as much as it put farmers in a position to reorganise their industry by a two-thirds majority vote. This is an enabling Measure, in a different sense, because it gives to two Ministers control over all supplies of agricultural produce which are consumed in this country. On the one hand, it puts import restrictions within the jurisdiction of the President of the Board of Trade, and, on the other, it puts the Minister of Agriculture in control of home products, over and above the marketing boards set up by the Act of 1931. This is a point which it is essential, to my mind, to emphasise at the present time. This later, and new, element brought into the Bill—the extensive powers which are given to the Minister under Clause 2—should at once arrest our attention. It empowers the Minister to regulate, by Order, sales of a product by persons producing it in the United Kingdom, or by boards administering marketing schemes. It also empowers him to determine, for such period as he may specify, not only the kinds, varieties and grades, but also the quantity of any particular product, or any variety of that product. However, the Minister does show, in this respect, some attention to the interest of the State, in as much as the financial responsibility for these schemes will still remain with the Boards. If the schemes brought in under an Order of the Minister are a failure, it will be the Boards which will have to pay for them.

This Clause marks a new departure in the relationship of the State to private enterprise. In my judgment, it is, indeed, paradoxical that the distinction between the 1931 Labour Government and the present Bill, which is introduced by a Conservative Minister, is that the present Bill extends State control over private enterprise far beyond the former Measure. Conservatives in the last Parliament were much exercised by the bureaucratic element in the Act, and the apprehension of the Conservative party was displayed in almost every one of the Debates. There were speeches by the Noble Lord the Member for Aldershot (Viscount Wolmer), the hon. Member for Westmorland (Mr. O. Stanley), and the hon. Member for Cambridge (Sir D. Newton). They all pointed to the same thing. Their fears were shared by Members of my own party, and we co-operated with them on the Floor of the House, and in Committee, to reduce the powers of the Minister, with the result that these powers were considerably curtailed. What the Noble Lord the Member for Aldershot called the "Mussolini" Clause—Clause 7—was re-drafted and the powers of the Minister were very much cut down. Yet on the Third Reading the hon. and gallant Member for Maldon (Colonel Ruggles-Brise) seconded the Amendment for the rejection of the Bill. I would like to refer in this connection to what the Minister said to-day. The Minister pointed out that he was fully entitled to speak for the Conservative party, and to express the views and opinions of the Conservative party in their entirety. I cannot believe that the Minister has read the speech delivered by the hon. and gallant Member for Maldon on that occasion. The hon. Member for Maldon said:

> "We see the denial of liberty to the individual in dealing with what he has himself produced, and what he should have the right to dispose of as he will. We see individual enterprise cut and curtailed at every point. In fact, the Bill provides a glaring example of true Socialism at its worst."—[Official Report, 13th July, 1931; col. 175, Vol. 255.]

If that was the considered opinion of the Conservative party then, all I can say is that the Conservative party have travelled a long way towards these benches since. The speech delivered on that occasion by the hon. and gallant Member for Maldon was well qualified to arrest the attention of the House, as any Member in this Parliament can tell who heard the very remarkable speech he made on the wheat quota a few months ago. And yet to-day we have the Conservative Minister of Agriculture coming before Parliament with a Bill which goes even further and drives the industry into most bureaucratic control. The Minister now, on his own authority without the constitution of any board, when a scheme is only under consideration, will be able to say, with regard to potatoes, not only how many may be sold, and how packed and graded, but also how many Golden Wonders and how many King Edward's; with regard to strawberries, how many Paxton's and how many Leaders; and, with regard to apples, how many Bramleys and how many Pearmains. It is a terrible thought. What if the Minister does not like Cox's? What if he does not like Canterbury lamb, or is prepared to sacrifice Welsh mutton to Scotch beef? We must now realise that we have not only an Autocrat of the Breakfast Table, but of the dinner table as well.

The Minister has these powers before any marketing scheme is in operation, or before a board is in operation. It is only necessary for a scheme to be in preparation. A bacon scheme is in preparation and, whether it is accepted by farmers or not, the Minister can exercise his powers under the Bill and control the home producer. In 1931 I complained that there was too much Minister in the Act; yet this Bill is nothing but Minister. It is bureaucracy with a vengeance. I am not surprised that the Labour party welcome and give their support to the Bill. This is the very Bill that they themselves would have liked to introduce in 1929. Import boards under State control were what Dr. Addison was aiming at at that time. This Bill is leading us straight to the import boards that Dr. Addison was not able to bring in.

I wonder how far the farming industry will be encouraged to frame and adopt new marketing and reorganisation schemes, thereby bringing into operation the powers of the Minister. The Minister's power to fix quantities is not merely a theoretical power; it extends to a policy which will stereotype existing conditions and crystallise what exists at the present time. Suppose that an order is issued for the fixing of the quantity of meat, what will that mean? It will mean that each producer must have a quota to make up the total. But suppose that some farmer, or some group of farmers, want to take up stock-breeding and stock-farming, or to change over to dairy farming, will they be allowed to do so, and will the other producers have their quotas curtailed? This is not an imaginary difficulty; it is an inevitable difficulty when quantitative regulations are issued on a national basis. We have the example of the Coal Mines Act. We have read in the papers lately that there is a good deal of agitation that the development of new economic seams has been arrested because of the impossibility of increasing the quota. Look at the omnibus traffic regulations. It is quite impossible for a new undertaking to go on to the roads. I do not see how similar results in the case of agricultural products can be avoided, once production quotas are in force. The Coal Mines Act and the traffic regulations have only led to increased unemployment, and I fear that this Measure, if it is carried out, will have similar results. It is aimed at the limitation of supplies, and it does not increase consumption.

The import restrictions must also be looked into. The disadvantages of ministerial control in production and marketing are a heavy price to pay for import restrictions. I wonder whether these import restrictions will justify the high hopes which are entertained of them. Clause 1 of the Bill gives very wide powers to the President of the Board of Trade. It appears as though the Clause were designed to enable him to minimise the restrictions as he thinks fit. That may be considered a satisfactory safeguard in the eyes of this House, but how will the farmers look at it? When we consider what the right hon. Gentleman the Member for St. Ives (Mr. Runciman) has recently said about quotas, it looks as though a tug-of-war were inevitable—pull devil, pull baker. If I may adapt the familiar quotation:

> "Deep calleth unto deep, at the noise of 'our Walters Spout."

The President of the Board of Trade must also consider the effect of quotas on our commercial relations with foreign countries. Does that mean that he must use the quota powers which are put into his hands as bargaining counters in tariff negotiations? If so, that must inevitably deprive the home producer of the stabilised production which is promised him by the Minister of Agriculture. Then he must consider the treaties and agreements between this country and foreign Powers, and with the Dominions. This

[Mr. de Rothschild.]

consideration places a very real limitation upon the powers of the President of the Board of Trade. We are constantly told that at Ottawa the Dominions conceded to the home farmer first place in the home market. To-night we are faced with the fact that the Government believe that the reduction of supplies, even of home supplies, is necessary, but that they are powerless to restrict the supplies from the Dominions because of the Ottawa Agreements. The Minister himself has stated that the position as regards bacon, in the pig reorganisation scheme, was explained at Ottawa. We are faced with the dilemma, in this effort to restrict imports of dairy produce, that the Minister can restrict dear Danish butter from coming in, but not cheap New Zealand or Australian butter. Thus the farmer cannot be better off. The Minister of Agriculture, only the other day, in giving reasons for adopting quotas, said:

> "The man who says that he can control the butter situation with a tariff is not talking sense. Nearly half our supplies come from the Dominions, to which a tariff cannot be applied."

Very well, but we have not yet been told what is the distinction between tariffs and quotas in respect of their applicability to Dominion imports. Can the Government enforce restrictive measures upon Dominion produce? Can this be done under the Ottawa Agreements? If so, then the Dominions were diddled at Ottawa.

Major ELLIOT: I did not want to interrupt the hon. Member, but it would be a great pity if any such suggestion were to go out. Certainly, no such restrictions would be enforced, but, as has been done in the case of meat, they could be agreed upon in the case of dairy produce.

Mr. de ROTHSCHILD: If the Dominions do not agree, the farmer will be done again. The quota system will not help him, however much it will help the Dominions. If we rely upon voluntary agreement, as the Minister foreshadows, to curtail Dominion produce in order to increase production here, the sacrifice asked on the part of the Dominions is not conducive to improving our trade within the Empire. The loyalty and affection among different members of the Empire has always filled the world with wonder and admiration, but it was a free and unfettered friendship, and it was given in the fulness of the heart; this will be loyalty and friendship at a price.

There is provision in the Bill for ensuring that eggs should be sold by weight. Judged by that criterion, I fear that the Bill will not come up to the National Mark standard. The mottled shell may make some appeal to the farmer, who may think it is designed to redress the protectionist system which favours other industries, because it provides help for agriculture corresponding to what has been given to those other industries, but when the farmer regards the machinery of the Bill, I fear that he must lose faith. I am convinced that a sound, permanent agricultural policy cannot be based upon the bureaucratic plan of restriction which is foreshadowed in the Bill. The farmer may agree to submit to State control in the present crisis, because the Bill stipulates that it is a measure of Protection. The consumer may also submit to the restriction of supplies while there is superabundance; but sooner or later both will rebel. The Minister has said that he intends his quota restrictions to stay.

> "The policy of quantitative regulation"—

he said the other day,

> "is not just an expedient for meeting a crisis. It has come to stay."

I fear that it is difficult for me to see how that view can be held to-day. There is a universal acceptance of the view held throughout the world at the present time by all the great economists, that most of the world's troubles are due to restrictions on international trade. The President of the Board of Trade described quotas as insane. I can only conclude that the Minister's diagnosis of the world's troubles is that they are incurable insanity. I am not so pessimistic, and I do not go so far as to despair of the world. Other countries, in their padded cell of quotas—they have been in their padded cells for some time—are beginning to see reason. I hope that that glimmering of reason is not to be snuffed out at the Economic Conference, and that it is not going to be snuffed out by the enthusiasm the Minister has shown for permanent restriction. If this policy is to be maintained unimpaired whatever may be the proposal before the Conference, I should have thought that it was not the way permanently to raise world prices. I should like to see the removal of restrictions.

Let me remind the House that the Preparatory Commission of the World Economic Conference definitely states that quotas are inimical to the main object of the Conference, which is to raise world prices. Agriculture can only flourish here when agriculture in other countries is thriving too, and when we not only import but also export agricultural produce. The only profitable agricultural industry in the last 10 years has been that of raising and exporting pedigree stock, and only the impoverished condition of affairs in other countries has hit the British farmer in this connection. The Bill can be considered as an administrative Measure, and, as an administrative Measure, its effect will depend upon how it is worked. It is possible within the Bill for the Minister and his officials to harass the farmer and to restrict his freedom. It is possible for the Board of Trade, balancing the interests of the nation as a whole, not to exercise his powers so as to give the farmers the protective restrictions for which they are asking.

Wise, not too despotic and not over active Ministers, may still use these proposals to give farming some measure of organisation and security, especially during the crisis, which is affecting the agriculture of our country so terribly, and which has brought so many farms to the verge of ruin, but do not let us run away with the idea that this can be a lasting or permanent policy, or that it embodies the philosophy of the twentieth century. These restrictive measures go back a long way. They go back to a far earlier time when potentates of the East, hundreds of years ago, found that ill-fed and hungry populations were much more manageable, and they therefore limited the area to be sown with rice. Later, when the cultivation of the poppy was developed, limitations were put upon it in respect of the area which could be planted with poppy seed, in order to raise the price of opium and to fill the Treasury chest. I know that the Minister at the present time has not similar aims, but the measures and the methods are the same. So much for the twentieth century.

7.30 p.m.

Marquess of TITCHFIELD: There are many Members of the House who, like myself, are great admirers of Mr. Jorrocks, and I know that they will agree with me when I say that the sayings of Mr. Jorrocks were always very profound. He never made a more profound remark then when he said:

> "Betting on the weight of pigs is as useful as backing horses you have never seen. Pigs is for profit, not loss."

On the last occasion when I had the honour of addressing the House, I ventured to criticise the findings of a committee which had been set up by this Government, but to-night I am going to do exactly the opposite. I would not only beg the Government to follow the advice of the Lane Fox Committee, but I would beg them to put this Bill into operation at the very earliest possible moment. I believe that the advice given in the report of the Lane Fox Committee will be of immense value to the farmer. The pig industry is a very large one, and, if it could be properly organised, it might be made much larger still. The pig industry contributes about one-tenth of the total value of agricultural produce sold by the farmer in this country, but, in spite of the growing population, the output of pig products in this country has been static for about 20 years. That is an unhealthy sign, considering that Denmark during that time has increased her output by 150 per cent., Sweden by 40 per cent. during the last 15 years, and Holland by 15 per cent. during the last 17 years. What is the cause of this unhappy position in our case? Like all other industries, the pig industry suffers from the disease of lack of profit. The industry is extremely anaemic, and, if the patient is to be cured, better and steadier wholesale prices must be secured.

During the last five years the price of bacon pigs has fallen by 42 per cent., and the price of pork pigs by 46 per cent. It is also true that feed prices have fallen, but, of course, to nothing like the same extent. It is the difference between feed and bacon prices that has been the cause of all the trouble. The difficulty with which the pig producer has to contend is the pig and feed cycle,

[Marquess of Titchfield.]
which lasts for about four years. This cycle consists of a period of rising prices followed by a period of falling prices, but latterly the price variation has shown a tendency to become shorter and much more severe in its incidence. When food is cheap, the farmer naturally increases his output, and when food is dear he decreases it. The output of bacon pigs is much dependent on the price of feeding stuffs, and, when there is a change in the relation between feeding stuffs and pig prices, the farmer changes his policy, and once again the vicious cycle is perpetuated. If the pig industry in this country is to be successful, both the pig and the feed cycles must be eliminated, and I believe that the only way to do that is to have a steady supply of bacon products throughout the whole year, not only in this country but from exporting countries. That, I believe, would lead to a diminution of the pig cycle.

There are two distinct branches of the pig trade, namely, the pork trade and the bacon trade; and to a great extent they compete one against the other. When the pork market is flourishing, the bacon trade is depressed. But, while there is only a limited market for the pork trade, the bacon market, I understand, can be increased to a very large extent. This, however, can only be done by basing the price of bacon pigs on feed prices, and by ensuring to the bacon farmer a regular supply of pig products throughout the entire year. I am certain that this can best be done by quota restrictions. As has been said by a previous speaker, this is the only country in the world that buys pig products. The Baltic States, the Netherlands, and Scandinavia have built up their industries upon our market. I think that a quota system is better than an import tariff, because it regulates the amount allocated, and thereby keeps prices stable. The weakness of an import tax is that it by no means eliminates foreign competition but in some ways rather encourages it, and that means that the price of the commodity goes down still further.

My hon. Friend the Member for Don Valley (Mr. T. Williams) was rather perturbed lest the price of bacon should increase too much. I do not think he need be frightened of that, because, if the wholesale price of bacon does go up too high, the floodgates of foreign bacon can be once more opened, and then, of course, the price will immediately go down. My hon. Friend seemed to think that this was a Bill for restricting pigs. The Bill, of course, does restrict the coming of foreign pigs into this country, but I believe it will increase enormously the birth and growing up of British pigs. He was aghast at the idea of a quota system, but I am all for the quota system. I believe that it will help, among others, the agricultural labourer. I remember that some years ago, when my hon. Friends opposite were bringing in the Coal Quota Act, the hon. Member for Don Valley was tremendously enthusiastic for the coal quota, because, he said, it would be of advantage to the miner. I am very enthusiastic about a quota for pigs, because I believe that it will help in no small way those people who look after our pigs. My right hon. Friend the Member for North Cornwall (Sir F. Acland) made a very interesting speech. I listened to it very intensely, but, at the end of half an hour, although I realised that the right hon. Gentleman condemned almost root and branch the scheme put forward by the Minister of Agriculture, I was unable to find in his speech any real alternative proposal. He gave us a short but very interesting lecture on what I might call porcine obsterics. He thought that everything would be well if British pigs had smaller and lesser families. I do not think that that will solve the problem, but I hope that the right hon. Gentleman and his right hon. Friend the Member for Darwen (Sir H. Samuel) will immediately put their heads together and produce one of those variegated reports for which the Liberal party are so justly famed.

I should like to say a word with regard to the machinery of the Bill. There is to be, I understand, a quota advisory committee, which is to advise on quota methods, and there is to be a pig industry development board for developing and encouraging the pig industry in this country. There are also to be bacon and pig marketing boards for Great Britain and Northern Ireland. I would like to ask, why should there be also a bacon imports advisory committee? Surely the quota advisory committee could do that work? I understand that my hon. Friend the Parliamentary Secretary to the Board of Trade is going to wind up the Debate, and I should like him to inform me as to the reasons for that. I should also like to ask two more questions, which are rather important. The first is with regard to the minimum price. I should like to suggest that 10s. is too little to cover the overhead charges and I would suggest that, instead of that figure, the figure of 17s. should be inserted. I do so because I have been told by expert pig breeders that overhead charges are extremely heavy, owing to swine fever and diseases of that sort. There is another figure in the formula that I should like to see changed. Instead of the figure of 11s. 5d. per score, I would suggest the insertion of 12s. 6d., because here again I am told by expert pig breeders that there would be no profit from a figure of 11s. 5d., and that 12s. 6d. would be much more helpful and valuable.

It is banality to say that farming is our oldest and greatest industry, and the pig branch of the farming industry is probably almost the biggest branch of the agricultural industry. I believe that the present scheme will make this branch of agriculture extremely profitable, and not only will it make it profitable, but it will help—and this is rather important—the small man to a very great extent. It will go a long way to solve the problem of unemployment in agriculture. I implore my right hon. and gallant Friend the Minister of Agriculture to carry on the good work that he has done for British agriculture since he took up his present office. The wheat quota is working extremely well, I understand; the Pig Commission's report is very helpful; and the Milk Commission's report also will be very useful. If my right hon. and gallant Friend can, by negotiation, further restrict the import of foreign meat, perhaps by double, the agricultural people in this country will feel very grateful to him. I am sure he is on the right road, and, if he proceeds on these lines, he may be able to open up a new market for the British farmer worth, perhaps, £100,000,000 to £200,000,000 a year. If he can do that, he will indeed have inaugurated a new era in the agricultural civilisation of this country.

I believe that Horace Walpole once said to Lady Ossory that "the nonsense of one age is not the nonsense of another." When I heard the hon. Member for Ebbw Vale (Mr. A. Bevan) speaking I was rather reminded of these words, though it seemed to me—I hope I shall not be thought rude for saying so—that his speech could not possibly fit into any generation at all. Hon. Members opposite have always got Russia at the back of their minds. It is the policy of the Labour party to give the land to the people. That has been done in Russia. The people were given the land, and the result was that the people starved the people to such an extent that the land was practically taken away from them and to-day we see collective farming. The agricultural landowners are put into a sort of barracks and kept there for the remainder of their lives.

I implore hon. Members opposite not to treat British agriculture in that way. They are always boasting of what they would do and how they would solve the unemployment problem if they got into office with full power. They rather remind me of a story of an American who was boasting to an Englishman about the number and the ferocity of the wild animals that he had shot. The Englishman got somewhat tired of it after a bit and said, "Do you know the Dead Sea?" The American replied, "Sure, I guess I know the Dead Sea very intimately." The Englishman said, "That is interesting. I shot it!". The monster of unemployment has been stalking through the land. I believe that, if the Minister and those who are decorating the Front Bench here at the present moment carry on their policy as they are doing, they will be able to say, in a shorter or longer time—I do not know which—with complete truth, and without arrogance, "We shot it."

7.48 p.m.

Major MILNER: The Noble Lord will forgive me if I do not follow him, the main reason being that I have not quite gathered whether he was speaking originally in favour of birth control for pigs, or a war with Russia, or precisely as to what he was addressing himself. I rather think he was under the impression that we were debating the report of the Reorganisation Commission on Pigs. That, of course, is not so.

Marquess of TITCHFIELD: Surely the Bill is to make the report of the Lane Fox Commission operative. It is the whole point of the thing. I am afraid the hon. and gallant Gentleman was not in when I was talking about pigs.

Major MILNER: I am sure the Noble Lord will share my opinion when he reads what he said. I should like to say, as one who was associated in some small measure with Dr. Addison in the original Marketing Act of 1931, how very much we appreciate the kindly and courteous tribute paid by the Noble Lord the Member for Aldershot (Viscount Wolmer) to my right hon. Friend. No one has had more to do with the working of that Act than the Noble Lord. He was largely responsible for the successful scheme that is now in operation, and his tribute will be very highly regarded by Dr. Addison. I cannot, however, agree for a moment that the Bill is in any way related to the Act of 1931. It has been said that it is in direct line of descent from that Act, but we do not acknowledge that. In our view the Bill, if it is related at all, is an illegitimate child, a sort of cuckoo in the nest, suffering from all the evils of one parent, the National Government, and having no relation whatever to the other, the Agricultural Marketing Act.

It has been said that the Bill is a further instalment of Socialism. It is true that it may create something in the nature of a bureaucracy, but it certainly is not, in our view, Socialism. What it sets up is something in the nature of a capitalist monopoly. The Agricultural Marketing Act, which laid the foundations for a new policy in agriculture, was founded on the existence of abundance and proposed to control that abundance without restriction with benefit to the producer and without any injury to the consumer. The Bill, however, like so many other of the belt-tightening operations of the National Government, is based on the existence, indeed on the very creation of scarcity in a world of abundance. I noticed some very remarkable words spoken by President Roosevelt in his inauguration address which seemed to have some application to this matter. He said:

> "Nature still affords her bounty, but the generous use of it languishes in the very sight of supply. This is primarily because the rulers of the exchange of mankind's goods have failed through their own stubbornness and their own incompetence."

Does the National Government think the people are so well fed that they can endure shorter rations still or that they can possibly pay a higher price out of their diminishing income for what they require? I do not believe for a moment either that they can pay more or that they can do with less. I imagine that the success of the Bill in the eyes of the Minister will depend on the extent to which he can make the consumer pay, and thereby raise the prices of British and foreign foodstuff. There is no guarantee that the increased price for the wholesaler will get to the producer unless sales and prices are in some way controlled. The Bill controls the sale of home produced foodstuffs but not the prices at which they may be sold. They may, therefore, obviously, if there is restriction of supply, soar to enormous heights and the result may be very great hardship to the great majority of the people.

There is already an enormous margin between the wholesaler and the consumer. At present I believe the spread, as it is termed, is 50 per cent. in the case of cheese, 33⅓ per cent. in the case of butter, 30 per cent. in the case of eggs and 30 per cent. in the case of bacon, and in the last two years under the present system, without the advantages which the Bill would give to the middleman, no less than £40,000,000 has been squeezed out of the consumer by the middleman in those four products alone, with no demonstrable benefit to the producer. The dividend of one of the large grocery stores has just been declared at 22½ per cent., which is less than is usually the case. Some of the huge stores have been paying dividends of 50 per cent. and 60 per cent. of recent years. The meat combine's profits in the last few years have amounted to something like £800,000 per annum. The whole policy underlying the Bill is very similar to the Minister's policy on the quota. I was sent the other day a list containing the prices of various brands of British and imported bacon. It says:

> "Market advanced 8s. on Irish and 6s. on all other kinds. This is the direct result of the Government's quota restrictions. All the extra money goes to the foreign countries."

There was a letter in the "Grocer" a month ago from the chairman of Warren, Sons and Company, who are large bacon factors. [*Interruption.*] That does not prevent me making use of a letter in which they indicate the foolishness of the Government's policy in this matter. Mr. Warren writes:

"The Government's quota scheme on bacon has now been in operation for two months. The bacon market before this scheme came into force was weak, but as soon as the quota started wholesale prices were forced up, and it is computed that between £600,000 and £700,000 extra profit has been paid to the foreign shipper during these two months. It may be added that this extra profit that we have paid over to the foreigner has done no good at all to the English farmer or anyone else in this country. A much higher level of price will be necessary to induce an adequate increase in our home production, if ever it can happen at all. Meantime millions of pounds of extra profits will have been paid to the foreign suppliers in the rather forlorn hope that English produce will rise to the bait of the high price. What a gamble with the people's money! Do the consuming public give their consent to it? It is their money that is going to be poured out. It must be remembered that nine-tenths of our bacon is foreign, so that in order to try to make it possible for the English producer to market an insignificant amount at a very high price the rest of the community will have to pay much increased prices for all their bacon."

That is the position under the Government's present Bill. The price of bacon, by reason of the import restrictions, will go up very considerably and the consumer will be asked to pay. There is no guarantee that the increased price will, either in whole or in part, go to the producer and it is eventually proposed to make arrangements with the importers and factors by which very large sums of money will go to them. I notice that the Minister made a speech the other day promising a steady foundation of prices. The curious thing is that in this Bill there is no mention of prices. Prices are to be forced up by this purely artificial means without any limit and without sufficient protection for the consumer. It is certainly true, as the Noble Lord the Member for Aldershot pointed out, that under the original Act a consumer's committee can be appointed by the Minister, and is in certain circumstances to be set up, but it has no power otherwise than to report. We endeavoured to extend its powers, but we were opposed by Conservative Members.

One principal objection we have is that this Bill proceeds on the basis of creating a scarcity instead of making the cheap food of the world available to all. Clause 1, which deals with these restrictions, apparently confers no right whatever in the selling or distributing of imported foodstuffs. Our submission is that the right course would have been to have set up an import board. No less an authority than Sir Arthur Salter at Manchester recently spoke in favour of such a board, which he termed a national purchasing board, being set up. That board would purchase in the cheapest market, and it would take together imported foodstuffs and home produce and so enable, in a great number of commodities, a remunerative price to be given to the home producer without prices being put up appreciably to the home consumer.

Instead of that, in the present Bill, in order that the home producer may receive an extra £1 the importers are to receive £6, for according to a speech which the right hon. and gallant Gentleman made the other day the proportion of imported bacon and ham products to home-produced bacon and ham products is six to one. In the Pig Commission's Report that proportion is given as nine to one, but I will take the lower figure. I suggest that is neither a sensible, wise nor a fair proceeding. If one could see any benefit to the producer one might take a rather more favourable view of the Bill, but as it is before the House now there is no guarantee that this extra money will go to the producer. The Bill seems likely to lead to the setting up of monopolies of importers and wholesalers or factors. Certainly under the provisions of Part II, the small producer looks like being forced out, as under that part of the Bill the producer can be put out of business by the refusal of a licence to him.

That part of the Bill is said to deal with development schemes, but the word is an entire misnomer, as in fact those Clauses deal with restriction of production. The Clause appears to say that no producer can produce unless certain conditions are fulfilled, and one of those conditions is that he must have a producer's licence. I wonder what would happen if, without a producer's licence, I killed 20 pigs and salted them, and the authorities of the Ministry of Agriculture got to know. I am liable to a fine, I think, of £100, and imprisonment for three months if I do that without having obtained a licence. I suggest that the farming community, when they realise the number of penalties likely to be imposed on them for small infractions of this Bill, will take a very different view of it. The penalty, I would like to point out, is not for sell-

[Major Milner.]

ing an article produced, but for just producing it, even apparently if you keep the article in your own cellar.

Again, there is no assurance under this Bill that there is to be efficiency in the industry, or that only those branches of the industry which are in fact efficient are to be helped. The real truth is that the Minister of Agriculture has lost a golden opportunity of bringing about real planning in the agricultural industry. Had he done that he would have had our hearty support. Had he endeavoured to direct that industry centrally and to co-ordinate it, had he given some sense of security to the workers in the industry, together with a fair price to the consumer, and had he endeavoured really to develop our own land as he envisaged in his opening speech to-day, he would have had our support. But the Bill does not in any sense help in that direction. It is in our view misconceived; it is founded on the economics of scarcity; there is no guarantee to the producer and ample plunder to the foreigner and importer—all at the expense of the consumer who is already suffering under every hardship that can be inflicted by the worst Government of modern times.

8.7 p.m.

Mr. ROSS: I always listen to the hon. Member for South-East Leeds (Major Milner) with great interest, but perhaps with less profit when he is talking on agriculture. The most astounding statement I have heard for some time is his deploring the fact that we do not try to develop the land. We are only too anxious to do so, but those engaged on the land already cannot make a living, and the first duty of any Government is surely to see that the people already in an occupation make a living rather than to induce other people to join them. I think we are trying to make the land a place where people can live and can get some reward commensurate with their efforts. In that respect, whatever may be said of this Bill—and this is a most complicated Measure, and I am not naturally very prone to be attracted by complicated Measures—it is at all events far ahead of the Act of 1931, which seemed to me to do nothing. It was a mere façade. It did not deal to any extent with the foreign producer. We were taking all the difficulties that any piece of rather careful and close legislation brings in its train, and getting none of the advantages. Its only allusion to Northern Ireland was in the last few words which concisely said it did not apply there. I was glad it did not, because it was of no use to the agricultural community of Northern Ireland.

This Bill introduces two new features, the element of control of imported foreign produce whenever that importation affects a branch of the agricultural industry here; and secondly, the acknowledgment, I think for the first time, of the agricultural area of Northern Ireland as being a distinct part in the agricultural entity of the United Kingdom. That is an important statement, and one which I think everyone should appreciate. There is a grave need for something to be done, and this is a bold Bill. People have alluded with horror to the penalties attached. They have suggested that it would do all sorts of different things. At all events, here we have a Minister who is trying to do something. Let us be thankful for it. I have great hope of this Measure. So far, with the honourable exception of the De-rating Act, agricultural legislation that we have seen in the last few years has not been very encouraging to me, because it has generally been of benefit to agricultural areas other than that which I represent. Wheat it is almost impossible for us to grow of milling quality. Sugar beet is a matter of no interest. But the agricultural community must stand together, and I appreciate that there might be districts which are even worse off than our district.

Here we have a Bill which can be of benefit to all agricultural areas. Northern Ireland is predominantly a livestock area. It has two other products of great importance, potatoes and oats. As everybody has talked about pigs up to the present, I think hon. Members will be rather tired of that aspect, and so I will talk about oats for a short time. Oats are our only possible cereal. I would correct at once a superstition which appears to be prevalent in Scotland that nobody outside Scotland ever grows oats, and that it is entirely a Scottish question. I would like Scottish Members to appreciate the fact that last year in Northern Ireland we produced 5,770,000 cwts of oats. The question of oats is a particularly difficult one, because the market is a diminishing one. For every horse that goes off the roads and is replaced by a motor car less oats are needed in the year. For every person of old-fashioned habits who gives up eating porridge or dies, less oats are required. I have never seen oats depreciate in value from the producer's point of view more rapidly than in recent years. In 1928 the price of white oats was 9s. per cwt. Last week in my constituency it was 4s. 7d. That is practically a 50 per cent. drop. It is very difficult to see how an agricultural community can carry on with a drop of that extent in the only cereal which they can produce.

I would ask hon. Members opposite what would be their attitude supposing wages were reduced by a like amount. I would also ask them to remember that you are here dealing, at any rate in my constituency, not with landlords and large farmers, but with small family communities struggling with nature to make a living for themselves. Last year there was imported into this country 6,400,000 cwts. of oats. That is much too large a quantity for this country to be able to afford to import, and I hope that in any scheme brought forward in respect of that particular commodity we shall see that amount reduced. I should like to know how far we are hampered by Foreign Treaties in respect of the importation of oats. I listened last Wednesday to a very characteristic and spirited protest by Scottish Members on the subject of the importation of oats, and I heard a very lugubrious reply from the Secretary of State for Scotland, who explained that he could not do anything. That was the effect of his reply.

Lord DUNGLASS: I think the point made by the Secretary of State was that he could not do anything at the moment, because the question of oat products was being considered by the Import Duties Advisory Committee.

Mr. ROSS: I am very thankful for that intervention by one of the Secretary of State for Scotland's fellow clansmen. I think it was not only a question of oat products, but also the importation of oats. The question of oat products was ancillary, and I think there are 700,000 tons of oat products imported, which intensifies the difficulty of the position. At the present time in Northern Ireland we have 285,000 acres under oats, but in 1918, when people were really anxious to get as much oats as they could, we had 450,000 acres under oats. I am sure that Scotland, if it was made a paying proposition, could increase their production of oats just as much as we did, and that they would be glad to do so. I do not propose to deal with potatoes in detail, except to say that last year, in the corresponding week, the price was 6s. 3½d. per cwt. Despite all the efforts of the Government, and they have tried their best by putting on duties, some 15,000,000 cwts. were imported in the year, and the main crop price is now 1s. 6½d. per cwt. In regard to the Channel Islands, which are part of our community and depend upon the early potatoes, nothing can be done against them, but I do suggest that the large import of Spanish and other foreign potatoes, which come in and get the best of the market and make it almost impossible for potatoes to be produced on a remunerative basis, should come to an end.

I pass from these questions of detail to some of the more general principles of the Bill. I would welcome the participation of Northern Ireland as an appointing authority of the Marketing Supply Committee, because I think it would be of real assistance in that respect and could bring a very helpful point of view to the authorities, representing as we do rather a special line in agricultural production. I am sorry that the right hon. Member for North Cornwall (Sir F. Acland) is not in his place. I was very surprised at several of his remarks, in particular when he objected to the Marketing Supply Committee as overruling Parliament. I had always understood that one of the complaints against Parliamentary Government as we conduct it in this country was that Parliament had so many calls on its time and that Members had to attend to so many different things, that it was impossible for it adequately to fulfil all its functions. That it should be able to delegate some of its functions to a body of experts who will, of course, only be in an advisory capacity and whose decisions will be subject to revision by this House, seems a reasonable saving of Parliamentary time.

I was also struck by the extraordinarily lethargic way in which the right hon. Gentleman approached the whole question. He accused my right hon. and gal-

[Mr. Ross.]

lant Friend of precipitancy and suggested various courses which if they were given sufficient time would no doubt be effective. Perhaps his constituents are in a far less critical position than mine as regards the farming industry. Certainly the impression that I get when I have the good fortune to be in my constituency is that things are very difficult, even for those who are the last to complain and who would go to the very end trying to keep things going as best they can. I think that we shall have successful co-operation, as forecast in the Bill. A good start has been made by the Government of Northern Ireland, which has already taken action in connection with eggs, dairy produce, potatoes, meat and fruit. We have a most efficient Minister of Agriculture in Northern Ireland, with whom the Ministry of Agriculture here will find it easy to deal.

There is one question that I should like to ask in relation to Clause 5 (1), which in regard to development schemes makes a statement which, at first sight, looks to me sinister. It reads as follows:

> "Every development scheme shall be applicable to the area, or to each of the areas, as the case may be, to which the related marketing schemes apply for the time being."

This is the passage to which I would direct attention:

> "but no development scheme shall be submitted which is applicable to Northern Ireland only."

I suspect that that is merely a passage intended not to encroach upon those powers which are perhaps best exercised by the Northern Parliament, otherwise, it would seem to me very strange seeing that there is no corresponding restriction within the scheme confined to Scotland or within the scheme confined to Great Britain. We have heard to-day of a potato marketing scheme for Great Britain, which is a marketing scheme likely to become operative in a very short time. I should like an explanation of that passage, because at first sight it seems a little bad.

We have had complaints from hon. Members opposite about this being a struggle for the landlord class. The landlord class does not exist in my constituency. The tenants have either bought or are in the process of buying their farms under the various Land Acts. They are not farmers who employ labourers to any great extent. I think the tenant farmers and their families who work their own land in Northern Ireland outnumber the agricultural labourers enormously. We have a habit in this House of sympathy for those whose point of view we see most, and it is a habit that we should rather tend to fight against, because it leads us to distortion in our views and to an unnecessary degree of sentiment. We hear that too often from hon. Members opposite as regards those who live in towns, and it is a sentiment which we must all share. I ask them to think of those who work on these small farms, who have no regulated hours of labour, who work early and late. They are their own masters, and they are working against a hard enemy, sometimes indifferent soil. But they are trying to live by their own efforts as a man should live. They are a virile community, but it is difficult for them in these hard times, and I trust that this Bill will give them some assurance for the future, if it does not then that we shall take such steps as will help them to live the life which by their own efforts their are entitled to live.

8.26 p.m.

Mr. McKIE: I am glad to have the opportunity of following the hon. Member for Londonderry (Mr. Ross) who speaks with a good deal of knowledge about Scotland and the similar conditions which prevail in regard to farming in his constituency and in many constituencies represented by Scottish Members in this House. In this very interesting Debate we have had speeches from the three political parties in the House. They might, I think, be summed up by saying that we have had constructive efforts from those who support the National Government in its great task with regard to agriculture and we have had from the official Opposition and the semi-Opposition of the Liberal party speeches of a purely destructive nature, or at best of a negative kind. One of the main criticisms against the Measure is that two years ago Conservative Members were very keen critics of it and that the agricultural community saw in it a further advance towards bureaucracy, of which they have always been resentful and suspicious.

The Minister of Agriculture, a fellow-Scot, who thoroughly understands farming conditions not only in his own country but all over Great Britain, very wisely, in recommending the Bill, said that it was supplementary to the Measure introduced by Dr. Addison in 1931. Of course the Conservatives criticised that Measure and the farming community criticised it because in their judgment then, and in their judgment still, it is of no use to introduce legislation for the regulation and marketing of agricultural products if you leave our shores open to dumping or the importation haphazard of agricultural produce from every other country. In the Measure submitted to-day we have ample safeguards against this, and the farming community realising it are willing and ready to co-operate with the National Government in making this Bill the success it deserves to be. It is often said in this House and outside that farmers are grumblers; nobody can please them. Farmers no doubt have grumbled in the past in regard to their industry and the neglect of the State, but to-day they realise that their claims are at last going to be considered.

For over half a century agriculture has been sacrificed for other industries. When this country was on a pinnacle of industrial supremacy she could afford to let agriculture slide, but to-day, when we have departed from that proud position, the farming community and the general public of this country realise that it is necessary to do something to restore prosperity to the industry. In the last half-century efforts have been made by the party to which I have the honour to belong to assist the agricultural community. Two elections were fought to induce the people of this country to re-examine the fiscal system which they had so long pursued, and at both elections the Opposition party, or parties, raised the cry that "Your food will cost you more," and suggested to the electors that the policy of the Unionist party would have the direct effect of raising prices to the poorest of the poor. I suppose that all is fair in love and war, but I suggest that the Opposition parties on these occasions went a little too far when they suggested that the proposals then put forward would have the effect of raising the price of every article of food which appeared on the working man's table, or on any other table. Opinion has advanced a long way since those two elections. That cry did yeoman service in 1906 and again in 1923, but in the General Election of 1931, although a somewhat feeble effort was made once again to scare the electorate, the result showed that a huge majority of the people in Great Britain were no longer to be persuaded that a re-examination of the fiscal system would result in the dire effects which had been predicted.

The Minister of Agriculture has very properly said this afternoon that the days of the Manchester school are gone; and gone for ever. It is necessary for us to-day not to think any more about *laissez faire* but to face the conditions of to-day with the weapons of to-day. That is what the agricultural community thought at the last General Election. After the election there was naturally a desire by farmers that the National Government should forthwith grapple with the entire agricultural situation. It is, of course, easy to make criticisms and, as I have said, farmers have had to wait a long time, but there can be no doubt that people outside the House have very little idea of how difficult it is to carry legislation through the House of Commons. The National Government did not wait very long before seriously applying itself to the plight of agriculture. We had the Horticultural Products Act introduced within a few weeks of this Parliament sitting. That was followed speedily by the Import Duties Act, which covered a whole range of industries. Then we had the Wheat Quota Bill, a weapon employed with the direct idea of assisting the cereal farmer and thereby adjusting the balance between cereal production and the great livestock branch of the industry.

I am almost entirely concerned with the livestock industry, with the breeding and raising of livestock and with the great dairying branch of agriculture. What is the position with regard to dairy produce? I think I should be fairly near the mark if I said that it is the desire of those who are engaged in that industry that we should see, just as we have seen with regard to meat imports, a system of quantitative regulation put into operation for dairy produce that comes in from the British Commonwealth of Nations. After what the Minister has said I will ask only two ques-

[Mr. McKie.]

tions, and I would be grateful if he would reply. First with regard to imports of tinned cream, milk powder and condensed whole milk, which is coming in entirely from foreign sources, largely subsidised, and in amount is equivalent to 6,000,000 gallons of milk, could he see his way to provide that these imports should be very drastically restricted if they cannot be entirely shut out? Secondly, with regard to the price which milk producers are receiving. I was very glad that in his speech at Newton Abbot on Saturday the Minister alluded to the position in which producers find themselves. They are receiving only 4d. a gallon for milk which contains 3½ per cent. of butter fat. It is the desire of those who are engaged in milk production that if possible the Minister should initiate emergency legislation until such time as the milk marketing scheme comes into operation.

I have tried to put the case on behalf of the dairy farmer who finds himself in such dire straits. The producer of livestock has had an appalling decline in prices arrested by the wise steps which the Minister carried through in about 10 days in November last, and there is every reason to hope that those engaged in dairying will also receive the right hon. Gentleman's very favourable attention. I hope that the Government will take my plea as that of a whole-hearted Unionist supporter who realises that the onus of responsibility, even in such a Government as this, must rest upon the shoulders of the party who support it in such overwhelming numbers. We can claim the right to speak for agriculture. If the Conservative party were once to relax its hold upon the counties, the party would indeed find itself in a very sorry position. Surely, in view of the pleas that are frequently made, that there should be lavish expenditure of public money, this Bill is a step in the right direction. It is designed to restore the agricultural industry to the place that it ought to occupy in the body politic. It is directly designed to ensure that that industry shall expand, and reabsorb a proportion of the unemployed. I support the Bill as carrying us a long step towards the desired goal. I believe that, wearisome and even heartbreaking though it has been to the agricultural community to endure what has been a very long delay, victory is now within our grasp, and in the end we shall find that we have won by waiting.

8.46 p.m.

Mr. CHARLES BROWN: I am very sorry that the hon. Member for Londonderry (Mr. Ross) is not in his place, because he opened his speech by enunciating a doctrine to which I do not take the slightest exception. He justified his support of the Bill because he regarded it as the first duty of a Government to enable people to get a living. That is not a sentiment from which I would care to dissociate myself. Rather would I associate myself with it completely. But I should have liked to have reminded the hon. Member that there are millions of people in this country who cannot get a living, and I do not think that anything the Government have done so far is likely to enable those millions to get a living better in the future than they have been able to do in the past. Rather have they made it more difficult for many of those millions to live at all decently, and I think this Bill has that effect. I hope that the hon. Member for Londonderry will at some future time support us when we urge the Government to do some of those things which will make it possible for millions of people to get a living and to live decently.

I always listen with interest to the Minister of Agriculture when he addresses the House. I listened to him to-day with very great interest, especially when he assured us that the Bill was a further contribution by the Conservative party to the building of the new State. One would have thought, as one listened to the right hon. Gentleman and to the cheers which occasionally punctuated his speech, that most of the Tory party are now Socialist—but with qualifications, and the qualifications are very important indeed. The right hon. and gallant Gentleman most eloquently denounced the economic theories which have held sway during the 19th century. He said that now a condition of affairs had developed in which we could no longer allow ourselves to be bound by those played-out economic theories, and that in all sorts of ways there will have to be interference with production and distribution. In a word, he threw overboard the very foundation principles of the Conservative party. That party in days gone by has pinned all its faith to individual enterprise and initiative. Yet here they sit to-day and cheer the right hon. and gallant Gentleman while he stands at that Box and announces, in effect, that he is throwing overboard, that he is discarding entirely, the foundation principles of the Conservative party.

The Minister went on to assure us that this Bill was another stage in the effort of the Tory party to improve the position of British agriculture. The British agriculturist must, indeed, be an optimist if he thinks he is going to get much more out of this Bill than he has got out of the previous attempts by the Tory party to do good for agriculture. They have been trying for several generations, but during all the time I have been in the House, agricultural Members from all parts of the United Kingdom have been telling us that agriculture is down and out, that it is ruined, that it is bankrupt. Such is the net result of all their efforts. But once more we have the right hon. Gentleman telling the House that, whatever may have happened in the past, this new Bill is going to put British agriculture on its feet and restore it to prosperity. There was something else in his speech which was rather strange. He made an appeal to agriculture, in view, apparently, of the opportunity which it is to get under this Bill, to lead 20th century industry in a new form of organisation. Agriculture is now asked to give a lead to 20th century industry along the lines adumbrated in this Bill.

The Bill, as the Minister reminded us, is largely an effort to implement the report of the Pig Reorganisation Committee. He reminded the House that the world at present was unable to absorb the quantities of agricultural produce which are being offered for sale. I could not help thinking what a curious commentary that was on 20th century civilisation. Millions of people are right down in primary poverty. Millions of people in various parts of the world have not even the elementary necessities of life. Yet the right hon. and gallant Gentleman tells us that the world cannot absorb the quantities of agricultural produce which are being offered. It did not seem to me that during the whole course of his speech he addressed himself at all to the question of why this agricultural produce could not be absorbed. But surely that is the important question. The truth is that the right hon and gallant Gentleman is being driven by circumstances to resort to the most questionable expedients to implement the promises which have been held out to the agricultural interests by the Tory party and the National Government.

His speech afforded no indication that he was laying the foundation of a planned agriculture and the reason is obvious. Although the right hon. and gallant Gentleman is, in a sort of way, a semi-Socialist, or rather because he is a semi-Socialist, he goes part of the way but he dare not tackle the fundamental issue in regard to all these matters. He dare not tackle what lies at the root of all our trouble—the question of private ownership. He leaves that question alone and dabbles with things that do not matter very much because he knows that if he tackled what is fundamental, he would raise a storm of protest on the benches behind them. We are, of course, still in an atmosphere in which we regard all foreign countries as economic enemies. That was a rather lamentable note which I detected in the right hon. and gallant Gentleman's speech—the suggestion that we should regard those countries in that light instead of looking upon them, as each, in turn, making those contributions which have been necessary to the advancement of the economic life of mankind, of which we hear eulogies, on occasion, even in this House.

The right hon. and gallant Gentleman knows that that result has only come about because in the past, whatever may be happening at the moment, there has been some degree of pooling of the world's economic resources and it is unfortunate that he should now strike a note which seems to indicate that most foreign countries are our economic enemies and rivals. I suggest that the expression of such views is likely to give rise to friction which may in the long run have disastrous consequences. Some of the right hon. and gallant Gentleman's phrases will long remain in the minds of those who listened to them. He spoke, for instance, of foreign countries, owing to the tariff barriers and trade restrictions which they have erected, locking us out of our factories and consequently turning us into the fields. He suggested that that was due to policies which those countries had been pursuing and which

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would lead us to some reconsideration of the economic life of this country.

I understand that the right hon. and gallant Gentleman visualises some process of reorganisation of our economic life as necessary in the changed world conditions of to-day and he goes on to tell us that Part II of this Bill is the legislative background for real agricultural planning. He reminds us that this is based on a definite policy of restriction and he argues that restrictions are necessary. When I heard him say that I could not help reflecting, to what a pass have we come in this the third decade of the twentieth century. Let us recall the fact that while we are debating this Bill here, we are in the twentieth century, after 10,000 generations of agricultural experience, with all the knowledge that is available now of improved methods of cultivation, knowledge of crop rotation, plant-breeding, and animal-breeding, the fertilisation of the soil and the development of agricultural implements—all these things which are responsible for the marvellous productivity of this age.

Only think of the wonderful history of the wheat plant, originally a wild grass somewhere in the Mediterranean area. Yet after generations of human endeavour in tilling the soil and in plant selection we have reached a stage where the world output of wheat is 2,000,000,000 cwts. per annum. We had a situation in 1930 where the carry-over from the previous year was equal to the whole of the world's annual consumption—that is to say, if the whole wheat harvest of the world had failed in that year there was enough wheat left over from the previous year to feed all the wheat-eating peoples of the world. Yet the right hon. and gallant Gentleman tells us that it is necessary to pursue a policy of restriction and when he talks like that one cannot help recalling, again, that there are millions in the world to-day down in the depths of primary poverty.

All this talk about restriction is to my mind hopelessly wrong. Restriction can bring us, in the end, no good at all. The problem is not one of restriction. The problem is one of getting these commodities in ever-increasing quantities, to those whose labours produce them. Until you devise machinery to get back again to those who produce them, the results of the vast productivity of the modern world, you will never solve your problem by these processes of restriction upon which you are embarking in the Bill. We have the Tory party with ideas of private enterprise and individual initiative. What is it doing at the moment through the agency of the Minister? It is struggling with the necessity for the collective organisation of production and distribution. Rather than tackle the problem as it ought to be tackled, it is dealing with it in the piecemeal fashion outlined in the Bill.

It is necessary for us to read the Bill in relation to the report of the Pig Reorganisation Committee. I saw the other day—I believe it was in a letter in a newspaper—that it was very forcibly argued that the price of certain kinds of meat depended entirely upon the price of cereals. There was a close relation between the two. If that be true, surely the Minister, in tackling this problem, must understand that, in going along the line upon which he is proceeding, he is dealing with secondary and not primary causes. If the low price of meat is largely due to the low price of cereals, surely the proper way to tackle the question, even of rising prices, is to deal with the question of cereals rather than to deal with the secondary causes to which the Minister attached so much importance in his speech to-day. It is all beginning in the wrong place. He is dealing, not with primary causes, even if he wants to raise the general price level of certain products, but with secondary causes.

I could not help agreeing with the hon. Member for Ebbw Vale (Mr. A. Bevan), who spoke earlier in the Debate, that if the Tory party really had the courage of their convictions, rather than proceed by the complicated methods involved in the Measure in carrying out a scheme outlined in the report of the Pig Reorganisation Committee, they would have proceeded by the method of tariffs. That seems to be far more straightforward than the complicated methods which they are proposing in this Measure. However crude that policy may be, it would be a simple method, and if they want to do what the Minister suggests, surely it is the best policy. They should do it by the simplest and most straightforward method rather than by the complicated methods proposed in the Bill. I have been reminded while listening to the Debate of the old tag, that he who makes two blades of grass grow where one grew before is a great benefactor of mankind. I cannot help thinking that the right hon. and gallant Gentleman the Minister of Agriculture wants to go down to history as the Minister of Agriculture who made two pigs grow where one grew before.

8.59 p.m.

Sir SAMUEL ROSBOTHAM: I rise with pleasure to give my wholehearted support to the Bill which has been so ably introduced by the Minister of Agriculture. I was very much interested in the speech of the right hon. Gentleman the Member for North Cornwall (Sir F. Acland). He admitted failure in his efforts to organise the farming community, and he admitted that the farmers and tenantry, and he himself, were on the verge of bankruptcy. He offered no constructive ideas as to how he is to retrieve himself and his tenantry from bankruptcy. He made one notable suggestion which rather alarmed me, and that was birth control in regard to the number of young pigs. I do not know how that could benefit agriculture. The hon. Member for the Isle of Ely (Mr. de Rothschild) also made a contribution, which was not of a constructive character, and he taunted the Conservative party with drawing near to the Socialist party. I would remind the hon. Member that the only hon. Member who has drawn near to the Socialist party has come from his party and has crossed the Floor and joined them. I trust that the constituents in certain divisions will study and weigh up the speeches of the right hon. Gentleman and of the hon. Gentleman, and see what the farmers and the agricultural workers are to get from the contributions which they of the Liberal party have made this afternoon.

I was very pleased to hear the hon. and gallant Member for South-East Leeds (Major Milner) make a speech. In fact I had been waiting to hear what he would say. I was closely associated with the hon. and gallant Member during the period from 1929 to 1931 in helping forward the agricultural policy of the Labour Government and I was rather interested to know what views he was taking upon this Bill. As the Minister of Agriculture has said, it is an enabling or a supplementary Bill to aid and to put into operation Dr. Addison's Marketing Act, and yet we found no support whatever from the hon. and gallant Member for South-East Leeds this afternoon. I cannot imagine his being very happy in the contribution which he made. The Bill aims at the thorough organisation of the agricultural industry. We know that there can be no effective regulation without such organisation. Marketing schemes will have to be proposed before any branch of the industry can benefit. We have had pigs, milk and other products talked about, and the Debate would not be complete unless I mentioned potatoes. I was very pleased that the hon. Member for Londonderry (Mr. Ross) brought in the question of the marketing of potatoes, and it would be impossible ever to have a complete marketing scheme without the incorporation of Northern Ireland.

Clause 1 deals with the importation of agricultural products, and only organised branches of the industry can be brought in to receive benefit. The importation of agricultural products is of great importance to the agricultural industry, and to those branches in particular which can produce a sufficient quantity of a particular product to supply our own needs, and there are many of them. Of milk we can produce sufficient under organisation, and we can produce sufficient potatoes without the Spanish potatoes coming into the country and interfering with the first and second earlies and flooding out our main crop. We can produce potatoes of better quality. There is the question of horticultural produce. Under the policy of the National Government we can produce plenty of such produce in our own country. We can also produce plenty of hops. I was glad to hear the hon. Member for Londonderry say that we could produce sufficient oats in this country. We certainly can produce plenty of barley. We can produce plenty of poultry and eggs in this country. and they are products which the Bill will benefit by enabling us to restrict imports when we have sufficient quantities available in our own country.

Secondary products are a very important side of agriculture, and there are great possibilities in their development. We have heard a great deal about bacon, and I ask hon. Members to realise how many men would be employed if we could have 4,000,000 more pigs in this country

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and produce all the bacon we required. I was pleased to hear the Minister of Agriculture mention canned fruits and other products for there are great possibilities in that direction. As a result of the regulation of imports employment will be found for a large number of people, and we can confidently hope that work will be found permanently for large numbers of those who are badly wanting it to-day. The land with its possibilities offers great opportunities for providing work to our unemployed. That is an important question, and the Bill was worth introducing if only on that ground.

The consumer is safeguarded under the Bill, but the best safeguard for him is to grow more food at home and to make this country more independent of foreign food supplies. That would keep down the cost of living. This may seem a strange argument, but it is very sound and it is true. The more work and money we keep at home and the more food we produce at home, the more the cost of living will tend to be kept on a lower and even level. We have had evidence of this during the past few months. Even the most ardent Free Trader cannot explain away the fact that the cost of living has not risen. It has not risen because we have been able to produce more food at home, and the cost of living will not rise if we pursue a policy of this character. The Bill aims at producing more food at home and making our supplies more even throughout the year and from year to year. When there is an abundance of a crop one year, the farmer is inclined to be despondent and to say that he will not grow that crop next year. Then comes a scarcity. By this Bill that will be avoided and there will be confidence among farmers.

The principle of Import Boards is introduced into the Bill. What has become of "Labour and the Nation?" Have the Opposition entirely discarded it? It would seem so from the speeches which we have heard from hon. Members opposite to-day. The foundation of the Bill is seen in a few important words in Clause 2 which are:

"to secure the economic stability."

That is what the agricultural industry requires. It wants to be placed on an economic basis. To put it in plain language, it wants paying prices based on the cost of production. If this Bill brings that about it will help to solve the unemployment problem more than any other proposal which we have discussed for some time. Clause 3 sets out the Market Supply Committee, which, consisting of a chairman and four members, is quite large enough. I believe in small committees, for that is the best way of getting things done. The committee will ascertain the quantity of produce in this country, and, if it is wise, it will ascertain the quantity produced in other countries, and thus be able to render sound advice to the Ministers concerned, especially to the President of the Board of Trade.

Part II is very important, for it aims at development schemes in connection with the production of secondary agricultural products. I should like to draw particular attention to grading and packing, for we in this country have been too negligent in that matter. Sub-section (2) of Clause 1 refers to the treaties, conventions and agreements which are being operated unfairly against home producers. What we heard with regard to oats in the House last week applies also to other products. These treaties, conventions and agreements had to be entered into to enable debts to be paid to us, but it is unfair that they should operate against the cultivator in this country, and some compensation should be made to him when they do so act against him. The Bill, by improving conditions in agriculture, will improve the trade in agricultural implements and repairs to implements. Many farmers cannot afford to buy a new implement or to send their old implements to be repaired. When confidence and prosperity are restored through this Bill, the implement maker and repairer will benefit. The Bill will bring joy to the heart of the farmer when he is turing over his furrow, for there is nothing so distressing to the heart of the farmer and the agricultural worker than to think, when he is putting his plough into the field and turning it over for rotation cropping, "I am not going to get a paying crop, but it will not do for me to leave the land grass side up, although I shall get no benefit from it."

I know from my own experience that it is a bad thing for the countryside that the landlord is being taxed out of existence. Speaking from experience, I would rather be a tenant farmer under a good landlord and have my repairs done for me and not have to pay Schedule A Income Tax than be an owner-occupier. Estate Duty has caused a big disaster to the countryside. I am one of those who maintain that agricultural land which is rack-rented should never be called upon to pay Estate Duty. It is detrimental to the best interests of the cultivator and the agricultural worker. Do hon. Members of the Opposition expect that the position of the agricultural worker will ever be improved until we improve the position of the agricultural interests? How can farmers pay wages if there is not the money in the industry? This Bill will help to bring prosperity to the cultivator, and the agricultural worker will share in it. There is a closer bond of union between the farmer and his men than the Opposition would lead us to believe. It is such a bond of union that the worker looks upon the crops as partly his own. He says: "Look at our wheat, our oats, our potatoes; look what fine cattle we have." He feels that the stock and the crops are partly his own and part of his life. I support the Second Reading of the Bill, and I hope that we shall soon see it in operation.

9.15 p.m.

Sir DOUGLAS NEWTON: We have had an interesting and instructive Debate on this Bill, and I venture to think that the interest which has been shown indicates the wisdom of allocating two days for the Second Reading. The burden of most of the speeches from the opposite benches appears to be in favour of a policy of do-nothing and *laissez faire*, but we on this side believe that the time has come when it is urgent that action should be taken. Our overseas competitors have for many years recognised the need for sound marketing. They have instituted many reforms, mainly in the direction of standardising, grading and packing their produce, and organising their marketing. They have also carried through a very effective and efficient system of advertising the produce they have to offer, and no doubt their advertising has cost them many thousands of pounds. So far, the agriculturists of this country have had no effective means of countering those activities. It has been relatively easy for our overseas and foreign competitors, who have at their command a powerful weapon in the control of exports from their countries, to organise the sale of goods which they send to this country. They have an instrument which compels the loyalty of the producers in their own countries who desire to market their goods abroad. Here in this country we have no such lever, no such powerful weapon.

In the past many attempts have been made here to develop along the lines followed by overseas producers, but owing, I think, to the absence of some weapon of that kind, those attempts have been frustrated either by disloyalty on the part of a section of the producers here or ignorance of the advantages which combination and co-operation in marketing could bring to them. Our need is to face and overcome this difficulty. The difficulty was recognised by the late Minister of Agriculture, Dr. Addison, and I would like to join in the tribute which has already been paid to him in foreseeing the need of a Bill of this kind. One of the chief arguments he used, which made a strong appeal to many of us on this side of the House, was the need of organisation and the advantages of many of the provisions set out in the Act of 1931; but we on this side saw the utter futility of imposing regulations and restrictions on our farmers so long as we had no power to deal with the overseas producer. Many of us opposed that Act because we knew that it could not achieve the objects and purpose which it set out to accomplish so long as foreigners were permitted free and unfettered access to our markets.

Much water has flowed under the bridges since that Measure was placed on the Statute Book. We have had the advantage of the formation of the National Government, because the man in the street said he was sick of the way the affairs of this country were being conducted and that something practical, helpful and constructive must be done. We have also held a great Imperial Conference at Ottawa, where agreements were reached, a new atmosphere was created and the whole position was materially altered. It is an interesting and significant fact—I say this by the way—that agriculture in this country is a far greater industry than most people realise. The agricultural interest in this country is greater than the agricultural

[Sir D. Newton.]

interest in any of our Dominions with the exception of Canada, and surely it ought to receive the greatest measure of encouragement which the State can give it. I am glad to think that at that great Imperial Conference at Ottawa several agreements of real value to the whole agricultural industry were reached, including the provisos that the home producer should be given the first place in our markets, that schemes for the development of agriculture at home should not be frustrated, set aside and made of no avail as a result of unfair foreign interference, and that the farmer at home should be left free to pursue the fullest development of his own market.

I would like to congratulate the National Farmers' Union on the progressive spirit and enterprising leadership which they have recently displayed under the direction of the late president, Mr. Mervyn Davies, and the present president, Mr. Gates, assisted by Mr. Morris and Mr. Baxter, who played such a big part at Ottawa. The National Farmers' Union have got a real move on, and are now busily engaged in considering many schemes for the betterment of the industry, including schemes relating to potatoes, to the marketing of milk, and to pigs. It is said among our City Members who look for revival in business that the first bull in the City is likely to be the pig.

There are some people in this country who think that all our trade is really carried in ships, and that if we restore our shipping our trade must be prosperous, but I would ask them to think and to ponder over the position. While we are all proud of the great maritime place we occupy in the world, while much of our trade comes, and will continue to come, from shipping, I venture to think that our trade can be much increased by means of the fuller use of our soil. Two years ago in this House, almost at this time of the year, on 9th February, 1931, the late Minister of Agriculture said that we were producing foodstuffs, such as pigs, pig-meat, butter, milk, cheese, poultry, eggs and home-grown fruits to the value of £203,000,000, but that agricultural produce of the same character and of almost equal value was at the same time being imported from abroad—that about half our supplies were coming from abroad. Surely, he added, £100,000,000 or more of those goods which we at present get from abroad can be provided by agriculturists in this country. There is much new trade standing, as it were, just knocking at the door of opportunity, and it is for this House to open that door and give that opportunity, which is what I believe this Bill will succeed in doing.

We have repeatedly heard, to our sorrow, particularly from Members on the benches opposite, that there are large areas in this country in which there are many unemployed people who are never likely to be absorbed or reabsorbed into employment in the districts in which they reside. If that be so, surely it is an additional reason for grappling with the question of the development of our soil and doing so with courage and with energy. Let us endeavour to foster if we can what, after all, is our healthiest and best industry and to provide more employment by ensuring a decent living and decent return to those who work the soil. The time has come when British markets must be protected. Authority and protection must be given to a majority against the thoughtlessness or the disloyalty of the minority. No injustice will be inflicted on the minority, because the very foundation of any and every scheme under this Bill is the good will of the producer. So far as the consumer is concerned, he is also amply safeguarded under the provisions of the 1931 Act, which are not tampered with, altered, or impaired in any respect whatever. Other industries have reorganised and are reorganising and revolutionising their systems, methods and ways of production. Surely agriculture must not lag behind but should do the same. Trade unions have for years regulated their output as far as they could and regulated the conditions of employment of their members and the return, that is to say the rates of pay, they could obtain. Surely it is equally fair for a great industry like agriculture to endeavour to regulate its own proceedings. Such regulation would be of the greatest value, not only to the farmer, but to the worker on the land whom he employs.

I hope there will be no serious opposition to this Bill and that those leaders of the Opposition who are still with us, some of whom led their people out into the desert where many of them, politically speaking, perished, will now try to lead them back to the promised land as shown by this Bill. The Bill makes no attempt to farm, as it were, from Whitehall, and we have much to thank Whitehall for in the manner in which they have co-operated in the preparation of a Bill which will greatly assist and help the industry. The Bill provides protection against foreign competition and against the disloyal section of the industry. The agricultural industry has, as it were, two clear-cut sides to consider. On the one side, it has the commodities which we can never produce to the full extent of our requirements in this country, commodities such as wheat which has been effectively dealt with under the Quota Act. On the other side, it has commodities which we can produce to the full and more of our requirements, commodities of which we can easily by over-production produce an actual glut, such as potatoes and milk. Unorganised, unbusinesslike production is at the root of the troubles so far as those commodities are concerned. The proper settlement of this question raises a consumers' problem and a producers' problem, a workers' problem and an employers' problem. This Bill will, I hope, lead to steady remuneration of the worker and to a more satisfactory wholesale price-level. It it achieves that purpose, it will do a great deal towards solving the problem of unemployment.

The problem of 1933, our present day problem, is due to many causes which have come into our horizon. Machinery has made great strides and advances. In transport we not only have systems of speedy transport, but the cold storage of agricultural products puts them in almost perfect condition on our table even when imported from thousands of miles away. The scientist, too, has contributed much in fertilisers and in preventing the diseases of plants. For the future we must see that our programmes of production fit into the probabilities of the consumptive needs of our country. We must do everything we can to establish an equilibrium between supply and demand. I have heard in the course of this Debate little criticism on the principles of this Bill. Some farmers feel that Sub-section (2) of Clause I, which deals with the recognition of foreign treaties, may prevent the regulation of imports in such a way as to provide adequately for the expansion of home production. I hope the Minister will deal fully with that point.

For my own part, I consider the Bill a good Bill. We have recently witnessed the terrible and spectacular difficulties of a sister nation across the seas with its great cities and huge aggregations of population. We have even heard with our own ears the world-wide declaration of failure from across those seas. We deplore the position in which that sister nation finds herself, and offer our respectful sympathy to her in her trouble. It is generally admitted that her failure to recognise the difficulties of primary producers and agriculturists has played no small part in bringing about the catastrophe which we see in that great country. So far as we are concerned, we are sailing perhaps on unchartered oceans. We have an old and ordered civilisation and we cannot afford failure. We must develop our agricultural industry in fairness to all parties concerned. We must produce a policy in accordance with our country's many divergent needs, and it is because I believe that this Bill will meet those needs that I have much pleasure in supporting it.

9.33 p.m.

Sir JOSEPH LAMB: As a Member who has been in the House some 10 years and has taken an active interest in agriculture, it is a very great pleasure to me to congratulate the Minister who has introduced the Bill to-day. The hon. Member for Don Valley (Mr. T. Williams), when moving the Amendment, expressed the view that this Bill would be looked upon as an excrescence. I am not sure what he meant by the word "excrescence," but if he meant that this Bill was some unnecessary addition to the Agricultural Marketing Act, I am confident that it is not an unnecessary addition but a very necessary addition to that Act. That Act, as it at present stands, is quite ineffective to carry out its real objects. I was one of those who supported the principle of the Marketing Bill brought forward by the Socialist Government. I criticised its details, as I was entitled to do, but I was in favour of its principles. I frankly admit I voted against the

[Sir J. Lamb.]

Bill on the ground that the Measure was then—as it still is—inaffective for the purpose it had in view, because it did not give the power this Bill gives to deal with the competing article coming from abroad. This Bill denotes the greatest change that has ever taken place in Parliamentary action with regard to an industry—certainly with regard to the industry of agriculture. Like all other great changes when they come about, it must expect to receive a considerable amount of opposition. I can see that there might be opposition from certain sections of the agricultural industry which do not see far enough to realise the necessity for and the object of the Bill. Farmers are very great individualists. That is natural, from their occupation. When you have an industry based upon Individualism, it is quite natural that it should offer opposition to a Bill which is opposed to Individualism.

This Bill is an example of Collectivism. Collectivism is coming. You see it accepted throughout all industries in the land, and through the labour in the land. A man cannot sell his own labour to-day; it is sold on the principle of Collectivism through the unions. It ill behoves hon. Members on the Opposition Benches to begin criticism of a Bill which is based upon Collectivism for agriculture, when they have claimed to be the greatest exponents of Collectivism in the country. I hope that we shall not have the opposition from them that some of us have anticipated. For some time agriculture has been endeavouring to solve its problems by co-operation and Collectivism in its own ranks. Great efforts have been made on behalf of agricultural societies, but for several reasons they have not been successful. One reason, of course, is that there is a market at the home door. Agricultural co-operative societies have been most successful where they have been organised to supply the export market. It is common knowledge that if there is one product by farmers in this country which has suffered least, although it has suffered, it is milk. The only reason for this situation has been that there has been collective selling on behalf of the farmer by the National Farmers' Union, and by the joint Milk Board for the distrbutors. The only reason why that section of the industry has not suffered to the same extent as other sections is that they have been collectivists and that organisation within the industry has been attempted. In the case of those who failed, it was impossible for them to succeed without the machinery and the power given by this Bill to control in any way the completed article which came from abroad.

Somebody has said that this Bill is Socialism. It is not Socialism; it is collectivism. You might say that Socialism is collectivism. Perhaps that is true, but the difference that I see is that Socialism is the collectivism, as controlled by Parliamentary power, recommended and supported by hon. Members on the Labour benches. I object to political control. This is collectivism with control of the machinery in the hands of industry itself. That is where the difference lies. In the Agricultural Marketing Act itself, the consumer is represented by the independent Members who are put on the various boards.

The hon. Member for Don Valley mentioned what he alleged to be another weakness, that the Bill does not include purchasing powers for a marketing board. The hon. Member did not say how that would benefit the consumer. I doubt very much, even if there were an import board with purchasing power, whether that board would find that they could purchase as cheaply as they thought they could when they had become the only purchasers for this country. Be that as it may, the hon. Member's claim that an advantage is given to the importers of this country cannot be substantiated. He made no effort whatever to show how the cheaper imported article could be transferred to the consumer in this country. It is a certain fact that you could not have, sold side by side, an article at an uneconomical price brought from somewhere else in the world, and an article produced in this country at an economical price. The only advantage that I can see would be to the Exchequer, and by the time that the expenses of the purchasing board had been defrayed you would find that there would be very little left to the Exchequer. Even if the producer in other countries does not receive the immediate benefit which we in this country hope to receive from the Bill, it is up to the Government in the other countries to look after their people and to let us look after our own. That is a problem that we must leave to them.

I know that there are many who wish o speak. I have had an opportunity of xpressing my appreciation, so I will not y very much more. Certainly, I will ot attempt to criticise the Bill. It is ot a Bill to deal with any particular ommodity, and I do not think that we hould spend time in expressing our views n any commodity, or the way in which might be dealt with in the Bill. This a purely machinery Bill. The Second eading of the Bill—there will be other tages in which details may be dealt with —is to approve of the principle of a easure. I heartily approve of the priniple of this Bill, and I support it, and hope that the House will give it a econd Reading.

.42 p.m.

Captain HEILGERS: Agriculturists in ny part of the country approve of this ill. The change in their opinion in avour of it has been absolutely henomenal in recent weeks. At last we ave something that will deal with the ack of co-operation among farmers. The veakest point in our agricultural strucure has always been the fact that the armers would never hang together. The National Farmers' Union have done their est, but they have not had 100 per ent. membership, and very often they ave been let down by the undercutting f their members or of farmers outside heir membership. I can quote an intance where negotiations were being onducted in regard to sugar-beet. The armers' representatives had come to a eadlock with the factories. They had asserted that they would not go one inch further, and that they had every farmer behind them. They believed it. When the deadlock came, the chief of the factory representatives rang a bell, and in two minutes' time three men came in carrying piles of contracts which reached up to the ceiling of the room, and which had been made by farmers without the knowledge of their own representatives. The same sort of thing has let down farmers in milk negotiations, year after year.

I welcome this Bill, because I believe that it is only by compulsory control of production that you can help the farmer to help himself. It is a reasonable proposition that the Government should ask the farmer to market his goods better, to pack and grade them in a more orderly fashion, to restrict them if necessary, and to bring about a better distribution of his goods, and that in return for that, the Government should be willing to restrict and regulate the imports of foreign produce. I give credit to hon. Members opposite for what they did in 1931 when they brought in their Agricultural Marketing Act, but, thanks to the ever-present vision of the consumer floating before their eyes, they never put the complement on their Act, and they forgot also that agriculture itself was a consumer. Was it reasonable to ask the home producer to restrict his production, if necessary, while at the same time allowing an unceasing flood of foreign imports to come in? If we had had a scheme under the Act of 1931, what would have been the position to-day? That scheme would have been in force, and the 26 per cent. increase of foreign imports would not have taken place.

Why should this Bill create, as the Amendment suggests, scarcity in times of plenty? As I understand it, it will only mean the substitution of British produce for foreign produce as and when that is possible, and when we can do without foreign produce. Why should it raise retail prices in this country? I admit that it will raise wholesale prices, and I want it to do so, but, as regards retail prices, is there not plenty of margin? Under the milk settlement of last year, milk was sold in London at 2s. per gallon, of which 8d. went to the producer, 8d. represented the cost of distribution, and 8d. was the distributor's profit. Is there not a margin there for a rise in wholesale prices without a corresponding rise in retail prices? As regards the other commodity with which we are dealing, namely, bacon, the Minister said in his speech earlier to-day that these factories were being run at a little more than half capacity. In my own constituency we have the biggest bacon factory in England, and that has been running for the last year at exactly half capacity. Surely, if it were able to run at full speed ahead, as it will be under the bacon scheme, the reduction of overhead charges will be enormous, and the price to the consumer correspondingly cheaper.

The need for regulation is great. The milk of 4,000,000 foreign cows come into this country, while the number of cows that we have on our own pastures is only 2,500,000, or little more than half the

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number of foreign cows. There are 9,250,000 foreign pigs slaughtered every year for the British market, while here at home the number slaughtered is only 3,750,000. As regards poultry, 31,000,000 foreign fowls lay their eggs for British breakfast tables. We see the results of that in the accounts of our farms. The Cambridge University Agricultural Department have just issued the accounts of 400 East Anglian farms, which, even after allowing for the estimated receipts from the wheat quota, show a loss of no less than 17 per cent. The Amendment says that this Bill will not improve the lot of the farm worker. I am at one with hon. Members opposite in wishing to improve the lot of the farm worker. He is a skilled man, and should receive a reward commensurate with his skill; but, after all, that reward has to come out of a pool provided by the proceeds of the sale of agricultural produce, and from that pool both farmer and farm worker have to find their living. I hope that the Bill will mean that there will be an increased return for both.

I would like to emphasise what was said by the hon. Member for Cambridge (Sir D. Newton) as to the extremely disquieting features of Sub-section (2) of Clause I. That Sub-section seems to me to be hedged about with too many restrictions. With regard, in the first place, to the question of foreign treaties, we in East Anglia have particular cause to remember what foreign treaties have meant to agriculture. In 1923 or 1924, we were definitely promised a tax on malting barley. That promise has never materialised, for the reason that foreign treaties stood in the way. The same thing is happening in the case of Empire wines to-day. These Empire wines can only be described as of the port or sherry type, because of our treaties with Portugal. I am desperately afraid lest these provisions as to foreign treaties may mean a great handicap to our marketing scheme in the future. I would also like to draw attention to the fact that, under the same Sub-section, special consideration is to be paid to manufacturers and blenders as consumers. In the Act of 1931, the committees of investigation were specially told to pay attention to consumers who used or consumed the product, and not to manufacturers and blenders, but, under this Sub-section, special attention and consideration must be given, before an Order is made, to manufacturers or blenders, and I am afraid that, if we have reorganisation schemes for fruit and vegetables in particular, there will be very strenuous opposition from those manufacturers.

I would also draw the attention of the Minister to the undesirability, as far as I am concerned, of the Board of Trade having complete control of the Order. Is it absolutely necessary that the Minister of Agriculture, who, after all, is the mainspring of this whole idea, should only be consulted? Could not the Minister of Agriculture make the Order and the Board of Trade administer it? It seems to me to be a thousand pities that we should leave the future of agriculture entirely in the hands of the Board of Trade. The present President of the Board of Trade has been a good friend to agriculture, but in the future it might be a very serious disadvantage to our agricultural industry if it were at the mercy of the Board of Trade.

This Bill is the most serious attempt that has been made to help agriculture since the Corn Production Act. The wheat quota was, after all, limited as regards its area, and it applied, in particular, to the big farmers as opposed to the smaller ones. The present Bill will pave the way for the reorganisation of four special commodities—bacon, milk, meat and poultry. In reorganising those commodities, it will give special help to the small farmer and the smallholder, and it will be reorganising commodities which are universal throughout the land. If we can only make the smallholder—the small man—more prosperous, I see an opening for a great scheme of land settlement, which I am sure everyone desires, and which would ease so tremendously our unemployment problem. I only wish further to express our best thanks to the Minister for the energy and initiative that he has shown in bringing the Bill forward at such speed and his determination to ensure that the British agriculturist shall have the right place, which is the first place in the home market.

9.55 p.m.

Mr. DAVID GRENFELL: I cannot help feeling that the hon. and gallant Gentleman who has just spoken and the hon. Gentleman who preceded him are under a misapprehension as to the scope and character of the Bill and that they expect too much to be given to the farmer as a direct consequence of its operation. The latter said it was not Socialism. He need not have told us that, but he probably had to reassure Members on his own side. He said this was a Collectivist Bill run by the people most concerned—the farmers themselves. I do not know whether hon. Members opposite would prefer Syndicalism to Socialism. If the hon. Gentleman is right in his description, it would be a Syndicalist Bill rather than a Socialist Bill. The hon. Member for Cambridge (Sir D. Newton), too, had very rosy expectations. With his knowledge of the industry and of the trade in agricultural products, I was surprised to find him placing them so high. He said that possibly in a short space of time we should find an additional £100,000,000 worth of agricultural products being supplied by the home producer. I do not think he will get many Members on that side to share this rosy anticipation.

Sir D. NEWTON: I was endeavouring to quote a statement made by Dr. Addison when introducing his Bill in 1931.

Mr. GRENFELL: I believe that, if Dr. Addison had been bringing in a Bill, it might have attained that ideal, but this Bill will do nothing of the kind. There is no possibility of increased production at all. Indeed, that is not the intention. The hon. Gentleman was surprised to find us in opposition to the Bill. He said we ought to support it because it is identical in principle with the Act of 1931. That is where he is wrong. There is, indeed, a most fundamental departure from the principles of the Act of 1931, and that is why we find ourselves in opposition. We are not inconsistent enough to oppose a Bill similar to the one that we proposed but, because there is a vital and most dangerous departure from the principles of that Act, we stand here unashamedly in opposition to it. The Act was designed to improve marketing methods, and it lays down a most comprehensive scheme for giving effect to that desire. It is, indeed, a most creditable piece of machinery. The architect, Dr. Addison, finds no critic in the House to-night. Everyone who speaks from the benches opposite pays his tribute to the Act. We might ask hon. Members why they have not worked the Addison Act. Why is it on the Statute Book but hardly in use? Why have we to wait nearly two years for this tentative effort to translate it into legislative effect?

This Bill is nothing like the Addison Act. Instead of that comprehensive, firm, solid foundation for a marketing organisation we find a small, skinny substitute, carrying no meat and, indeed, no stuffing, a puny thing which will not do anything for agriculture. If hon. Members opposite who represent the farmers expect to see the farming industry return to prosperity through this Measure, they will be disappointed. What can agriculture get from the Bill? The Minister of Agriculture is a very adept debater. We all pay ready tribute to his skill and to his attractiveness of speech, but he knows very well when he has a good case and he knows equally well when his case is not so good. He did not speak with as much clarity and convincing power to-day as he has done on former occasions. He revealed the purpose of the Bill very much more clearly in the country some time ago than he did to-day in the House. He said at Manchester that we had now come to the point when regulation of the quantities of food supplies coming into this country and those produced by the home farmer had come to stay, and added that leaving things to the individual farmers to do as they pleased was dead. Who said Socialism? If we had said things like that outside or inside the House a very short time ago we should have been denounced as wicked, confiscatory Socialists, and no adjective would have been violent enough to express the feelings of hon. Members opposite.

The Minister has been described as a semi-Socialist. I would not account him a demi-semi-Socialist. He knows quite well that this is as far from Socialism as he can get. This is intended to thwart whatever Socialist tendency there was in the Act. This Bill, not containing Socialist principles, cannot help agriculture in its present plight, and the industry, sharing the depression of other industries throughout the world, is waiting for the application of Socialist principles. The very absence of the alle-

[Mr. Grenfell.]

viating principles of Socialism will prevent it from being a success at all.

The right hon. and gallant Gentleman can disavow his Socialism with consistency and with honesty, but he cannot run in the fact of truth and of fact. He said that incoming supplies were to be subject to voluntary arrangements between the different countries supplying them, they guaranteeing to keep up quality and regularity of delivery and the Government watching imports and home produce to see fair play. What does he mean by that? He did not lay down his standards of fair play. He did not tell us where the foreign competition might be unfair and where the home industry might be protected in order to receive fair play. We would like to know how this is to work. There is another day, fortunately, when the Government will have an opportunity of being more confiding to the House. The Noble Lord the Member for Aldershot (Viscount Wolmer) said it was to be done mainly by the Act of 1931, and he wanted Members on this side of the House to join with him in a carnival to celebrate the fruition of the work of Dr. Addison now to be finished by this Government. We do not feel as happy as he does about it. We are not proud of the way in which a promising child, having been unwillingly adopted, has been put to evil practices by its foster-parents. We do not recognise this child with the pride which he asked us to share.

The Minister said we had come to-day to complete the story. He gave the impression that the story commenced by Dr. Addison was to have a happy ending. To-day we have seen a story which commenced with sunshine and flowers change in the telling to a tale of ogres and dark places. We have not seen the finishing of Dr. Addison's work. No skilful tale-telling by the Minister will alter that conviction when the House knows exactly what is being done. I have been surprised to-day. I have been wondering whether I was sitting there or here. There was a Minister of Agriculture protesting against efficiency and denouncing the demand for what he described as razor-edged efficiency. From this side of the House we have heard complaints against the drive for efficiency at the expense of those who toil. To-day comes the complaint against and the denunciation of efficiency, a real reaction expressed by the Minister responsible for this Bill. There are Ministers and Ministers in the Government, but I did not expect to hear this Minister denouncing scientific organisation and production and marketing. But the right hon. and gallant Gentleman is afraid of super-efficiency. He does not want it. We have to go back. To-day he has brought in an instrument not for progress and scientific advancement, but an instrument of retrogression and non-efficiency open to grave charges.

The right hon. and gallant Gentleman also said that the Manchester school had finished its period of usefulness, that we had now ceased to find any advantage in buying cheap goods, that it was too expensive for us as a nation, and that we must stop preaching the cult of cheapness. I wish hon. Members on that side of the House would carry their arguments to all fields in which goods are being bought and sold, and go one step further and make up their minds that labour is not a commodity to be bought too cheaply. He said we had seen the folly of the ancient Free Trade party, we were here now to plan production and trade, and this was their contribution to the restoration of world trade and prosperity, this gospel of scarcity. In this Bill, from first to last, there is preached not the gospel of efficiency and cheaper production, but of scarcity and costly production. I would like to know how the Minister can square this gospel of scarcity with that oft-repeated expression on that side of the House, "The gate to more"? We are told now that we do not want plenty, that we have no use for cheapness. It is said, go back to inefficient methods of production because the Government of the day are not prepared to receive with open arms the greater efficiency that is possible to-day.

Let us examine this Bill. Clause 1 gives the Board of Trade power to make an Order regulating the importation of agricultural products, and so on. The Noble Lord the Member for Aldershot said he wanted the 1931 Act with Protection for the 1931 Act and Protection. He does not realise yet that he has not got it in this Clause. He has an Order regulating and prohibiting, but no import boards, no Protection. Let us see how

Clause 1 might be used. Let us assume we have a scheme dealing with ham, and that the Board of Trade makes an Order to reduce the volume of imported hams by 20 per cent. The intention is to keep up or to raise prices of home-produced hams. Assume that we have an importer who, before the Order is issued, buys 100 hams from abroad. He pays £1 each for them, spends £100 in the capital investment of his business, and brings the hams to the market in this country and sells them at 25s. each. He makes a profit on each ham of 25 per cent. Let us assume that as a direct consequence of the reduction of the quota to be imported by 20 per cent., the importer then buys 80 hams. The seller at the other end still wants to sell at least 100, and because of that, and with a buyer for only 80, is willing to sell cheaper and instead of selling them at 20s. he now sells them at 18s. The importer gets the advantage in the price which the Board of Trade Order confers on him. Then he brings the hams home and finds that owing to the scarcity of hams, because they have been cut down by 20 per cent., the ham no longer fetches 25s. in the home market but sells probably 20 per cent. higher at 30s. per ham. The importer made a profit before the Order of 25 per cent. on his capital expenditure, but after the Order has been issued, and scarcity prices have begun to operate at one end and over-abundance has enabled him to buy cheaper at the other end, he finds his profit has gone up from 25 per cent. to 66 per cent. That is the kind of thing that we shall see multiplied in instances of every kind of trading transaction in regard to goods imported into this country.

One wonders why the Government have taken this form of making a scarcity and making things dear. What were we told less than two years ago? This was not the kind of thing which the supporters of the Government professed they were elected to bring about. They went on to the platforms and shouted, they had amplifiers at work and they used the broadcasting agency, to tell the people that the only thing that could save the country was a system of tariffs. What has become of the tariffs now? What has become of Protection? In this Bill they give the importer a chance to line his pockets to overflowing with the additional prices which the Board of Trade will enable him to charge, and not one penny piece of advantage will come to the State. The Government have relinquished any revenue for the Treasury from the imposition of tariffs in this respect. Instead of collecting for the Treasury the sum of money represented in the simple transaction which I have outlined, they will give the whole of that benefit to the trader who imports products, without a single guarantee that the farmer will get any advantage and with no guarantee at all for the consumer.

This is very much worse than Protection. It is the worst of two evils. It is not a choice between a good principle and a bad principle, but it is the worst of two admitted evils. The importing syndicate, even if they are not friendly to the Board of Trade, even if they are not the political friends of the Government and not the political supporters of the Board of Trade and of Ministers, will be able, in accordance with the principles of the Minister of Agriculture, to make a pretext at any time for restricting the importation of goods from abroad, with the result that prices for all kinds of commodities can be raised to the highest level. The Government will get no revenue. The retailer will get the whole advantage. We want to know why the Government have abandoned Protection? Do they believe in Protection now? Can Protection benefit agriculture? If not, let them say so. Protection has been repudiated and departed from and they are embarking upon a principle entirely strange and new and fraught with great danger. The Board of Trade hand over the consumers to vested interests to do with them just as they like, and there is not one word of protection for the consumer in the Bill. There is not one word in the Bill which will enable the consumer to give expression to an effective protest.

In this Bill, from Clause to Clause, the Minister does not seek to improve upon the principal Act, not to improve upon the work of Dr. Addison, but to vitiate the work of Dr. Addison. There is such a difference between this Bill and the Act that their similarity is hardly recognisable. I thought that there was a germ of a great idea in Clause 3, which provides for a market supply committee of five

[Mr. Grenfell.]

persons, who are to survey and examine the industry of agriculture on its productive side and its distributive side. But when I went through it stage by stage I was disappointed. It sounds all right, but the committee has no power. It is like the stage policeman in a third-class theatrical show; a fellow made to look very fierce with a great moustache and a baton, who is not taken seriously by anybody, who looks as if he had all the authority but really has none. All he does is to write a report and send it in. That is the position of this market supply committee. All they can do is to talk about things, look at things, write a report and send in a recommendation to the Minister. This committee should be the core of the scheme of the Bill. If it had a knowledge of the quantity of imported products and their destination, if it were an adequate committee, a representative committee, I could trust it with the direction of the food products of this country and the steps necessary for the augmentation of our own supplies. But the committee had nothing to do. It is put there to make the Bill look a little better. It is a dummy character, which plays no useful part.

Part II contains what are known as the development clauses. Here again I am disappointed. There is no development, no suggestion of any greater production, no attempt to carry on agriculture on more scientific lines. Indeed, according to the words in the Bill it is not to promote efficient production but

"for preventing or reducing excessive production of that product."

It is to prevent production, to restrict, not to develop. It is a drag on the machine, not a lever; and it is a drag with a constant weight upon it to prevent what is called excessive production. Where is the hon. Member for Cambridge going to get his £100,000,000 more of agricultural products unless there is an intensive scheme for real development? It is not contained in this Bill. Part III contains a large number of amendments of the principal Act, and here again we find the words "to regulate sales of the regulated product," and when we have read the five or six clauses we realise that they produce the maximum of interference with liberty and the minimum of benefit to farmers and producers, with no possible advantage at all to consumers. I hate to be so definite, but I really feel that the Minister has sold us a pup succesfully this afternoon, but before we take out the licence we shall see that the pup is returned to its rightful owners. We do not intend to bear any expense. The Minister made the Bill appear very attractive but there is no real virtue in it.

In Part IV we find that eggs are now to be sold by weight. The House is to be asked to approve that eggs laid by domestic fowls and domestic ducks shall be sold by weight. This may be an act of acknowledgment which the Government think is due to the domestic duck, but when the eggs are sold by weight they are only to be sold when they are 25 or more in number. The domestic consumer gets not the slightest attention, not as much as is given to the domestic fowl and the domestic duck. He is again left out of it. There is no provision made for him in this new scheme of things, the new State of which the right hon. Gentleman speaks, the new State which is to shine as a great example to the other States of the world. This is the kind of new State it is to be. I do not think the right hon. Gentleman has read his Tennyson or other English poets or he would have sounded more effective in speaking of the world that is to come. I do not doubt his poetic vision. Indeed this afternoon he was lyrical throughout, too lyrical for the sober examination of the Bill. He rhapsodised over boards and machinery with great effect.

After he had explained the Bill and after we have examined it, we have come to the firm conviction that the Bill is not a development of the Act of 1931. That was a straight piece of legislation. It has now been twisted to please the friends of the present Government. The Bill is admittedly designed to raise prices. High prices are to be paid by consumers for all goods, whether produced at home or imported from abroad. Additional prices due to scarcity are to be entirely at the disposal of the boards and the importers. The Government are to act as the agents of the importers and to keep supplies down. The Bill cannot benefit the industrial worker. Will it benefit the farmer?

The right hon. and gallant Gentleman spoke of the countryside with more eloquence than I can command. I go through the country and I see changes in agricultural conditions compared with the earlier days that I knew. Much greater convenience has come to the farmer. The farmer does not depend solely on the capital invested in the buildings and the land. He depends very largely upon the transport facilities that enable him to take his goods, whether under this Bill or without this Bill, to the most convenient market. The farmer has the use of the best roads in Europe without paying a penny contribution towards their upkeep. He has had many concessions from this House in the past few years, but he does not value those concessions. He still comes back for more and more and still more. Under Dr. Addison's Bill, now an Act, the farmer was encouraged, was helped to help himself.

Dr. Addison's Act of 1931 might have been carried forward. The time is ripe for building upon that Act a further structure which would have completed his edifice. But it would not have been in the form of privilege and benefits to vested interests. It would have been in the shape of a direct contribution to the farmers themselves, the farmers to be free from the difficulties of their collective effort and to be helped to market their commodities in the best market of the world, the market of this country. There is really something wrong with the farmer in this country when, with the best market that is known, he cannot compete with the farmer who is 1,000, 5,000 or 10,000 miles away from that market. We shall insist that the farmers be given the utmost encouragement and assistance, but we shall protest against any attempt to give to people who will use the farmer as a shield, the right to ask largesse. We shall protest against any attempt by side-tracking to help vested interests at the expense of the industrial consumer.

10.30 p.m.

The PARLIAMENTARY SECRETARY to the BOARD of TRADE (Dr. Burgin): The hon. Member for Gower (Mr. D. Grenfell) will understand that as this Debate does not conclude to-night there will be opportunities for the Minister of Agriculture to reply to the arguments which he has addressed to the House. My right hon. and gallant Friend the Minister has every reason to be gratified with the reception which this Measure has met with at the hands of the House to-day. There have been a number of very helpful suggestions and speeches, all the points contained in which will be carefully considered. One particularly thinks in that connection of the very interesting maiden speech of the hon. Baronet the Member for Henley (Sir G. Fox). If it is right to say that the comments which have been made on the Bill divide themselves into three categories, that is only what the House would expect. There are those who gladly welcome and realise the value of the proposals in the Bill. It may be said of those supporters that they realise the truth of the poet's words:

> "Order is Heaven's first law, and this confest,
> Some are, and must be, greater than the rest."

The supporters of the Measure who have voiced their approval recognise the enormous contribution to Statute law which is made when there is an endeavour to stabilise a great industry of this kind and when, in a world in which little else is stable, the advantage of the stability of this country is to be applied to one of its great industries. In referring to the speeches in support of the Bill, I must mention that of my hon. and gallant Friend the Member for Bury St. Edmunds (Captain Heilgers) and, while thanking him for the tribute which he paid to the President of the Board of Trade, I am afraid it is not possible to suggest that the Orders under this Bill should be made by the Ministry of Agriculture. The machinery is that the working of these Orders should be by the Board of Trade.

The next category of speakers represents the Opposition. They object to the Bill because they say it does not go far enough in the direction of State control of imports, production, sales and distribution—the old Socialist trilogy of production, distribution, and exchange. [HON. MEMBERS: "Hear, hear!"] Yes, and when one thinks of the world to-day there are few of its troubles that are unconnected with either production or distribution or exchange, in a very different sense from that in which hon. Members opposite are using those words. I would like to examine in some detail some of the arguments brought forward by Members of the Opposition and, first, I deal with the speech of the hon. Mem-

[Dr. Burgin.]

ber for Don Valley (Mr. T. Williams). In the first instance, perhaps he will allow me to reply on one or two points of detail on the Measure before dealing with his argument. He asked whether a consumers' committee will now be appointed as provided in Section 9 of the 1931 Act. At present, the only scheme in force relates to hops, and it hardly seems necessary to set up a committee for frothblowers, but as soon as there is work for a consumers' committee a committee will be appointed.

The hon. Member then referred to line 29 in the Third Schedule which proposes to insert the words "if the Minister so directs" in the opening sentence of Section 15 of the Act of 1931. The intention of that Amendment is to widen the scope of the principal Act and enable the Minister to invoke the aid of a Reorganisation Commission, not only to prepare a scheme but to improve a scheme or to investigate matters affecting it. I think the object of the Amendment was not quite followed by the hon. Member. It is a helpful Amendment and one of which I think he will entirely approve when he has read it again. As I understood the hon. Member, the main burden of his objections was to the whole question of the method adopted by the Government for regulating imports. Probably, if one said that the House now realised that this country could not be regarded as an international dump for produce the hon. Member would agree. Probably, if it were said that surplus produce from all over the world should not be allowed to be imported into this country without regard to consumers' needs, producers' returns, market possibilities or reciprocal trading he would be the first to agree that those objects were desirable. But, as I understood his observations, he objected to the method which had been adopted by the Government for controlling the flow of these imports.

Let us see what the Government method is. The Government method has so far been tried in regard to two commodities —meat and bacon. I speak perhaps with a little closer personal knowledge of the meat position, because of taking a hand in the various negotiations at the time. What was the method adopted? It was the method of friendly conference with those who were in a position to ensure the effective results desired. Hon. Members will recollect that just before Christmas of last year the English meat market was suddenly confronted with a catastrophic fall in beef prices. Prices of mutton and lamb had fallen and slipped right away. It was hoped that beef prices would hold, but, contrary to expectations, there was a sudden complete break in the beef prices. The only method of dealing with such a situation—an emergency situation—was to make sure that large quantities of beef were not capriciously thrown on to a market already in glut. It was not the slightest use talking to people who could not prevent or exercise any effective control over the hurling of meat on to that glutted market.

The only people who were in a position to effect the desired result, namely, to stop the meat reaching that market, were those who in practice brought the meat on to the market, so my right hon. and gallant Friend the Minister of Agriculture and my right hon. Friend the President of the Board of Trade convened those, who by themselves could effectively give a "Yes" or "No." In a conference room at the Board of Trade there met— well I remember it—those who could speak for practically 100 per cent. of the imports from South America. They were asked across the Table: "Will you, or will you not, consent to a sensible arrangement or regulation of advantage to us as the importing country and to you as the dealers in the produce which will prevent this almost perpendicular fall of prices and which will restore something in the nature of stability?" And to their credit, and according to the hon. Member for Don Valley to their material advantage also, they had the good sense to agree.

The point which this country had in mind of preventing a complete break of the meat prices on the Smithfield market was achieved. Our interest was, in the first instance, to think of our own people. That result was achieved by voluntary agreement. Similarly, when it came to deal with bacon products, friendly discussion took place with the countries from which bacon is normally exported into this country, and voluntary agreements were arrived at. I pause to interject an observation with regard to the speech made by the right hon. Member for North Cornwall (Sir F. Acland). He concluded an extremely interesting and well-informed address, such as this House always delights to listen to, particularly from him who is so much an authority on agricultural matters, by saying how much better it would have been to deal by agreements with foreign countries voluntarily. That is exactly what the Government have been doing so far, and what they hope to continue to do in future, but under this Bill they take powers to do it not merely with bacon but with a far wider range of agricultural products.

Mr. T. WILLIAMS: Will the hon. Gentleman enlighten the House whether or not the figures which I gave were true and whether after the Government had entered into the voluntary arrangement for restricting imports the prices in exporting countries fell while the prices in Smithfield Market increased very materially by as much as 65 per cent.?

Dr. BURGIN: I am coming to some figures which the hon. Gentleman gave in a moment. It is true that every beginning had its difficulties.

"Aller Anfang ist schwer"

is translated into every language and everybody's experience. It is true that the first effect of restriction must be to create the possibility that the importer can sell in the dearer market, and it can well produce the effect that the importer can for a short time, until matters adjust themselves, buy in the cheaper. That is the possibility, but the House must look at the matter with a right sense of perspective. If you are preventing undue supplies reaching your own market, the first thing to see is that your method of prevention is effective. The hon. Member for Don Valley made much of the fact that it was the importer who had benefited. I would call his attention to the fact that in the bacon trade at any rate most of the bacon is handled by agents and not by those who are merchants selling for their own account and making a difference in price. Most of the bacon is handled on a commission basis so that the argument that the importer has increased his profit does not hold except to the degree to which the commission has been increased. That applies also to the greater quantity of Australian and New Zealand meat imports. The hon. Member quoted a certain Noble Lord and said that he was reported to have made a calculation that when the South American importers had reached their agreement with the President of the Board of Trade, £600,000 profit was made in a single night. The House will recall the story of the figure in the Ottawa Agreements, where it was said that by the negligent manipulation of a typewriter an odd nought was added in error. I am afraid that the Noble Lord whom the hon. Gentleman quoted must have added far more than one nought. The figure bears no conceivable relation to the fact.

The hon. Member for Ebbw Vale (Mr. A. Bevan), in a spirited address, asked if the Minister who replied for the Government would tell the House honourably what the Bill meant. Each of the Walters in charge of the Bill is an honourable man, and the answer to the question must be given. This Bill is meant to put order into chaos, stability into markets, and common sense into our day. There were those who from the benches below the Gangway objected to this Bill on the ground that there was Government control, and they, if I understood them aright, object to Government control in any form. The hon. Member for Ely (Mr. de Rothschild) referred at some length to the provisions of the Ottawa Agreements, and asked how the home producers of the articles to which those Agreements relate were to be helped under the circumstances. He referred, if I recollect aright, to the power of the Board of Trade to stop the importation of the dear Danish butter, but their inability to stop the import of the cheap New Zealand and Australian butter.

I can only say that the self-governing Dominions, who met us round a conference table, are as alive to the necessity of stabilisation as is anybody in this House. They realise that it is of no advantage to their primary producers, no advantage to them as Dominions and no advantage to their merchants and agents in this country to have a dairy produce market with no bottom to it at all, with no assurance that supplies when released can command any market. They are quite willing to meet with us round the table and discuss the common problem, the common interest of the producers of those articles the whole world over and they rejoice that the Government is tackling the matter in a practical manner with a view not to helping the interests

[Dr. Burgin.]

of any one class of the people but with a view to maintaining stability where otherwise there would be complete breakdown.

Mr. HARCOURT JOHNSTONE: Is it not the fact that New Zealand exporters of butter have, in fact, refused to come to a voluntary agreement to limit imports?

Dr. BURGIN: So far from that being a fact, negotiations are continuing round a table with a view to arriving at a sensible understanding as to percentages. There was one other point made by the right hon. Member for North Cornwall, to which I am most anxious to give a reply. He pointed out that the hop industry had put itself in order under the 1931 Act without the help of the machinery of this Bill. I was surprised that the right hon. Gentleman had given that example, for he seems to have forgotten the protective duty of £4 per cwt. by which the hop industry was assisted and which had a good deal to do with the supporting of that industry. The hon. Member for Londonderry (Mr. Ross) asked a question arising under Sub-section (1) of Clause 5—" Why cannot a development scheme under this Section apply only to Northern Ireland?" We recognise the old Parliamentary point—another injustice to Ireland, but so far from its being anything of the kind it is a direct tribute to Northern Ireland. If Northern Ireland wants a development scheme for herself she can legislate for herself. This Bill only brings in Northern Ireland where she is a partner in a scheme applicable to other parts of the United Kingdom as well. That is the meaning of that particular Section saying that a scheme relating to Northern Ireland alone is not one that can be brought within the Bill.

This Bill realises that in a great industry like agriculture there are three parties who must be considered—the agricultural labourer, the producer and the consumer. It is true to say that the agricultural labourer has had his minimum wage by Statute for some considerable time. But how long are farmers going to be in a position to pay that minimum wage? How long is the finest labourer in the world to be in a position to receive that minimum wage granted to him by Statute? This Bill may very likely be the sheet-anchor of the standard of life of the agricultural labourer because, unless the economic conditions of the industry are such that the farmer can pay the wage, the maintenance of that minimum will greatly aggravate the agricultural unemployment caused by falling prices. What about the producer? It is quite useless having agricultural production on a large scale if the producer is unable to sell the produce of his farm. This Bill is an attempt to see that market conditions are not at one moment at the peak and the next in the abyss, but that there is some element of stability introduced into market selling conditions. With regard to the consumer, it is the experience of all those who have investigated industrial depressions and industrial booms that one of the consequences most likely to follow a glut is scarcity, unless there is some measure of considered regulation, and so the consumer is to be protected against the possible consequences that follow a glut by seeing that there is no scarcity in its place.

The policy of industrial reorganisation can always be justified on its own merits, but this Bill claims to have a much wider significance. It will take its place as another step in the effort of this country to maintain stability in a world where stability is not the order of the day. It is a miracle that retail prices in this country, in spite of our going off gold, have been so stable. It is a miracle that wholesale prices have remained with so little alteration. At the present juncture nothing is more desirable than stability, and nothing can procure stability except the marriage of science to industry. Whatever there is a glut of, there is no glut of science in industry in this country. The policy of sustaining wholesale prices for agricultural products announced at Ottawa is receiving a practical measure of application by the Bill now before the House, a Bill that has been worked out in the closest collaboration not only by the Departments, the Ministers controlling which have their names on the back of the Bill, but by the Government as a whole. It is a Bill that is intended to regulate supply not on the haphazard system that we find with the quotas of the Continent, but indeed legislates against some of the effects of those quota systems, which, by barring supplies to entry to those foreign countries, have had the effect of unloading still more on to the unwilling market here.

Experience is a harsh tutor from whom most of us have to be willing to learn. Few there are who decline to do so. Proper tribute has been paid to the author of the 1931 Act and to the measure of success it achieved. That Act was liable at any moment to be torpedoed by the marketing schemes under it being rendered completely nugatory by the influx of goods from other countries. A similar result, in the opinion of His Majesty's Government, could be arrived at from within, if production were ever encouraged entirely out of proportion to the consumptive possibilities of the market, and so this Bill aims at introducing an element of regulation into the greatest industry of the country, one with which the problem of unemployment is so intimately associated and one the successful settlement of which will do so much to help us in our troubles.

Ordered, "That the Debate be now adjourned."—[*Mr. C. Edwards.*]

Debate to be resumed upon Thursday.

The remaining Orders were read, and postponed.

PUBLIC ASSISTANCE.

Motion made, and Question proposed, "That this House do now adjourn."—[*Captain Margesson.*]

Mr. J. P. MORRIS: I make no apology for raising, on the Motion for the Adjournment, the question of the equalisation over the country of the rate charges for public assistance. So clamant has been the demand for an equalisation of this public assistance charge, that on Thursday last a conference to discuss this question was summoned in Manchester by the Lord Mayor of that city and was attended by the mayors and civic heads of 20 county boroughs in Lancashire and Yorkshire. No Government can ignore the demand for an alteration of the conditions which brought about that conference. Nor can a Government ignore that a majority of hon. Members represent constituencies in which the burden of expenditure for public assistance is abnormal.

Last Thursday I put down a question to the Minister of Health asking if he was prepared, in view of the alarming increase in the public expenditure, to introduce legislation immediately with the object of equalising the burden over the whole of the country. The answer that I received was that the answer was in the negative. I cannot possibly understand the attitude of the Minister of Health, more particularly having regard to the Final Report of the Royal Commission on Unemployment Insurance. There is a paragraph in that report wherein is enshrined the principle of the equalisation of the burden of public assistance. This is what the report says:

> "The Associations of Local Authorities have unanimously pressed upon us the view that the cost of unemployment should be a national and not a local charge. We have much sympathy with this view. The causation of unemployment is a difficult and complex subject, but it will be agreed that widespread dislocations which give rise to the most severe part of the problem are likely to be due to national rather than to local conditions. Often enough, indeed, they are due to world-wide causes, which are beyond the control even of the national authority."

It being Eleven of the Clock, the Motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, "That this House do now adjourn."—[*Commander Southby.*]

Mr. MORRIS: It goes on:

> "National policies, as, for example, in foreign, fiscal and monetary questions, have a more direct bearing on the course of employment than the action which is within the competence of any locality. And, in so far as unemployment is the result of extra-national causes, it is reasonable that, so far as possible, the burden of it should be spread over the larger unit of the nation rather than fall upon the particular areas which may happen to be particularly affected."

I would like my hon. Friend to pay particular attention to the next few sentences:

> "There is, moreover, the practical consideration that the policy of leaving to local areas a large part of the cost of their own unemployment would be calculated to intensify the depression in these areas and to diminish the prospect of their recovery. An increase in local rates is a deterrent to the starting of new industries, so that—as is

[Mr. Morris.]

happening at the present time—new industries tend to establish themselves in the relatively prosperous areas, where at heavy public expense all the necessary local services have to be provided anew, rather than in the areas where those services are already in existence, and where there is a population waiting to be employed."

In April of last year a copy of a scheme for the equalisation of these charges was submitted to the Minister of Health by the Salford City Council, and, in view of the fairness of that scheme, and the fact that every possible objection that was raised against the scheme was answered by the scheme, I thought that the Minister of Health would have incorporated the scheme in its entirety in an Act of Parliament. But I suppose that the circumambulatory itinerary of the scheme through the various offices of the Minister's Department is not yet completed.

This scheme is now generally known throughout the country as the Emery scheme, because the person who first formulated it was Councillor Emery, of Salford, now the Mayor of Salford. Just as emery paper is used for the removal of rust and dirt, so I maintain that, if the Emery scheme were adopted by the Government, it would remove the anachronisms and insecurities which are inherent in the public assistance administration of this country. It is now generally admitted that the cost of public assistance should be a national charge, but, in view of the state of the finances of the country at the present moment, it is not considered to be practical politics. One of the main principles of the Local Government Act, 1929, was that the cost of public assistance, or, as it was then called, Poor Law relief, should be spread over a wider area, and, as a result of that Act, 585 areas were merged, for the purposes of public assistance, into 145; that is, into 83 county boroughs and 62 administrative counties. The Emery scheme proposes that, for the purpose of public assistance, those 145 areas should be merged into one. May I point to the pooling arrangements that obtain in the London County Council area as the result of the 1929 Act. Before that, in the rate of poor relief in the Metropolitan board of guardian areas great differences obtained. There was a charge of 4s. 10d. in Poplar and in Westminster of 2s. 3d. Under the pooling arrangement the unified charge is now 3s. 7d.

The equalisation of public assistance burdens could be accomplished by the establishment of an equalisation fund into which payment would be made by public assistance authorities of sums equivalent to a rate poundage which, based on the aggregate production of a penny rate on all public assistance authorities, would meet the entire cost of public assistance over England and Wales. Payment into that fund would also be made out of the general Exchequer contributions of the amount represented by the unemployment weighting of the population of England and Wales, but of the fund payments, would be made to the various public assistance authorities of the amounts required for their respective public assistance charges, subject to compliance with scales of relief and standards of destitutions to be fixed by a national board which would operate through a series of regional committees. The national board would exercise all the control that was necessary to prevent extravagant expenditure by any particular local authority. The county councils and county borough councils would operate under the supervision of the regional committees and the control exercised over those authorities by the regional committees and the national board would provide sufficient safeguards in respect of any weakening in the incentive to limitation of expenditure which might otherwise arise. This control also would meet the objection of those local authorities whose public assistance charge is small to the principle of providing moneys for expenditure over which they have no control. It is suggested that the national board and the regional committees should consist of representatives of the local authorities.

Having ascertained the estimated amounts required for the purpose of public assistance from all public assistance authorities certified by the responsible official of each authority as to compliance with regulations to be issued by the national board, it would then be easy to calculate the rate in the pound required to be levied over the whole of England and Wales. When the necessary calculations have been made and returns furnished of the estimated requirements, precepts would then be served by the national board upon local authorities whose equalised rate poundage products exceeded their estimated requirements for public assistance purposes. The amount of the precept, therefore, would be the difference between the two amounts. The national board would then make payments out of the account to those local authorities whose approved estimated expenditure requirements were greater than the equalised rate poundage product. I have here figures taken out for the working of this scheme based on the conditions obtaining in 1931. In that year the aggregate product of a penny rate amounted to £1,871,000. The total public assistance expenditure, less the general Exchequer contribution, amounted to £35,627,000, so the average rate poundage over the whole of the country amounted to 3s. in the pound. Let me see what effect this has on various local authorities.

The PARLIAMENTARY SECRETARY to the MINISTRY of HEALTH (Mr. Shakespeare): Was that Poor Law expenditure?

Mr. MORRIS: The total public assistance expenditure, including transferred Poor Law services. Eastbourne would pay into the fund a precept of 1s. 6d. in the pound, Southend 1s. 7d., Oxford 2s., Bournemouth 2s. 1d., and Blackpool 2s. 6d., while the town of Merthyr Tydvil would receive an equivalent rate poundage amounting to 10s. in the pound, and my own city of Salford an equivalent of 3s. 5d. in the pound. Such is the scheme I submit for the consideration of this House. It remains for me to put forward reasons which would justify such a change. I maintain that the figures I have given are a complete justification for some change in the present system.

Can any hon. Member in these circumstances say that for the same charge one area should pay 13s. in the pound, while another should only pay 6d. in the pound? These inequalities exist throughout the whole of the country, and even if hon. Members do not agree with the suggested alteration, I cannot conceive any hon. Member supporting the present unfair system. I ask, is it right that the ratepayers in Merthyr Tydvil should pay 13s. and ratepayers in Blackpool only 6d.? Is there any reason why one should pay more than the other? Is the ratepayer in Blackpool any more industrious than the ratepayer in Merthyr Tydvil? The ratepayer of Merthyr Tydvil has no responsibility for the poverty in his town. Indeed, the poverty may be caused by circumstances over which he has no control, or in circumstances over which the Government of his country have no control. I therefore ask the House, is it rational to say that a ratepayer in Merthyr Tydvil, for the same services, should have to pay 26 times more than a ratepayer in Blackpool, 15 times more than a ratepayer in Oxford, and nine times more than a ratepayer in Southend or Eastbourne?

I am convinced that every hon. Member will have little hesitation in denouncing the present system as unfair and unjust. During the last two years there has been a tremendous increase in the number of people who have to be supported by the local authorities. In some districts the numbers have more than doubled. Is there to be an incessant piling up of the burdens on the shoulders of those authorities which are already crippled with taxation? I trust the House will say that in these days of depression the burden should be spread out over the whole area of the country, and that the comparatively prosperous municipalities should face up to their responsibilities and offer to help their poorer neighbours. I hope that the more fortunate municipalities will not adopt an attitude of smug self complacency and say they have no responsibility towards the poor areas of the country. The prosperity of one town is indissolubly bound up with the prosperity of another. It is impossible for the country to be prosperous unless all the towns in the country are prosperous. The numbers of persons requiring public assistance are obviously larger in industrial centres than elsewhere, yet these are the centres where poverty is most prevalent, where they find the money to foot the national bill, and where they find work for many thousands of people. The present depression has hit them badly, and yet these are the most important centres of the country. That they should receive no support from centres which live on the trade and industry of the country is un-English and unfair. Can it be said that seaside resorts, where the toilers of trade and industry spend their hard-earned money have no responsibility towards the industrial areas? Where would the seaside resorts be were it not for the industrial

[Mr. Morris.]

centres? It is impossible to develop that argument in the short space of time at disposal. I hope that the House will consider this question, divorced from any petty view or bias, and that hon. Members take no notice of the views pressed upon them by their own constituents, if they represent prosperous areas. If hon. Members will judge the question on its merits, they will come to one conclusion, namely, that the present system is denounced and condemned as unfair, dishonest and unjust.

11.19 p.m.

Mr. SHAKESPEARE: The hon. Member for North Salford (Mr. Morris) has raised a subject of great interest. I congratulate him on having continued the conference which originated at Manchester. I can only touch the fundamental points. His idea is a very simple, straightforward and ingenious one. So far as I can gather, it amounts to this, that the watering places of the country should pay for the distressed areas. Before I commit the Government to that policy, I should like a small talk with the hon. and gallant Member for Bournemouth (Sir H. Croft). The claim that unemployment and public assistance should be a national charge is not a new one. It is an ideal towards which every Government is working. One sees it in the recognition of State responsibility for Unemployment Insurance, and the transitional benefit scheme, but, as the hon. Member pointed out, to adopt it in its entirety would put such a strain on any Government as to make the whole scheme impracticable. The hon. Member read from the report of the Royal Commission on Unemployment Insurance, but he stopped short.

In the next paragraph they say:

> "At the same time we cannot contemplate a continuance of the present system whereby local authorities make assessments in the result of which they have no financial interest at all."

There is a fundamental principle involved, and that is that those who spend money should have some share in raising it; in other words, that the area of charge should be coincident with the area of administration. The hon. Member referred to the 1929 Act and to the reduction in the number of Poor Law areas, and pointed out how these areas were reduced to 145. That is so, but in every single case, whether it is a county borough or a non-county borough, the area of charge corresponds with the area of administration. So that you get what is vital in all these cases—a certain measure of local responsibility. He also mentioned the Metropolitan Common Poor Fund, which has operated since 1867. Down to 1921 it provided the means whereby local authorities might improve their institutional relief for the mentally and physically sick by a charge being spread over a much wider area. But no point of principle was in the main involved, at any rate no point of principle which might lead to considerable variations of expenditure of these various local authorities. In 1921, however, the Metropolitan Common Poor Fund was made responsible not only for institutional treatment but for out relief, and from that time onwards we saw the operation of what must be a dangerous principle, that is having an authority which spends money and does not have to raise it. If the hon. Members will look into history they will find that this has always led to extravagance. It must do so unless they can reconcile the area of charge with the area of administration. In 1929, the principle by which one authority spent another area's money was stopped, and the whole of the Poor Law administration was taken over by the London County Council, a single administration with a single area. That is an entirely different thing. Let me indicate one point to show how difficult the problem is——

Mr. MORRIS: I stated that this scheme would be controlled by a national board working through a series of regional committees.

Mr. SHAKESPEARE: I realise that, but that destroys all sense of local responsibility, which is the whole principle upon which the administration of this country is conducted, and if you have a rate of 3s. all round, and collect money from Blackpool and Bournemouth to be spent by Merthyr Tydvil, Liverpool and Manchester, all direct incentive to good administration will be lost. The hon. Member wanted to know the Government's attitude towards his scheme. At this time of night it would be most improper for a junior Minister to make a sensational pronouncement. He will remember that my right hon. Friend the Minister of Health referred to a promise he made earlier in the year, or the latter part of last year, whereby he would anticipate or advance the date of reconsideration of the redistribution of the block grant which falls due at the end of the second grant period. He promised to advance it. That has been done. Not only that, but consultations have been on foot with representatives of local authorities to see how far the famous formula has operated and whether in any degree it needs modification to take account of the change in circumstances since the formula was originally adopted, so that my right hon. Friend has carried out his promise to ante-date inquiry as to the formula, and consultations are taking place with the associations of local authorities.

Mr. McKEAG: Has it now been definitely decided to increase the block grant, so far as these distressed areas are concerned?

Mr. SHAKESPEARE: No, it is not an increase of the block grant but a redistribution of the available money to see that more goes towards those areas where the charge is heaviest. On top of that the Government are considering this very complex problem of unemployment insurance. My hon. Friend will readily see that any decision arrived at as a result of this may cut right across any decision arrived at as a result of negotiations with the local authorities. I cannot say more than that, except to assure him that the Government are alive to the urgency as well as the difficulty of the problem, that the points he has raised will be borne in mind, that the Government realise the difficulties of distressed areas and are anxious by some means or other to see that help is forthcoming. In what way I cannot say. But perhaps my hon. Friend will be able at a later stage to ask a question when the Government have made up their minds. In the meantime I congratulate him on having put forward with great lucidity the claims of his own constituency.

Mr. MORRIS: My hon. Friend has stated that the Minister has ante-dated consideration of that part of the general Exchequer contribution dependent upon the unemployment weighting of the population of England and Wales.

Mr. SHAKESPEARE: Ante-dated the whole thing.

Mr. MORRIS: What I wish to know is, will this new legislation to which the hon. Gentleman has referred be brought into effect before the period of transitional payment ends on 30th June? There are rumours—I will give them no stronger name—that it will be impossible to expect any possible legislation affecting local authorities, in so far as public assistance is concerned, until after 30th June.

Mr. SHAKESPEARE: I am afraid I cannot answer that question. Perhaps my hon. Friend will put a question to my right hon. Friend.

Question put, and agreed to.

Adjourned accordingly at Twenty-nine Minutes after Eleven o'Clock.

HOUSE OF COMMONS.

Tuesday, 14th March, 1933.

The House met at a Quarter before Three of the Clock, Mr. SPEAKER *in the Chair.*

PRIVATE BUSINESS.

Provisional Order Bills (No Standing Orders applicable),

Mr. SPEAKER laid upon the Table Report from one of the Examiners of Petitions for Private Bills, That in the case of the following Bills, referred on the First Reading thereof, no Standing Orders are applicable, namely:

Ministry of Health Provisional Order (Torquay) Bill.
Ministry of Health Provisional Order (Sheffield) Bill.

Bills to be read a Second time To-morrow.

ORAL ANSWERS TO QUESTIONS.

TRADE AND COMMERCE.

AEROPLANES (EXPORTS).

3. **Mr. DAVID GRENFELL** asked the President of the Board of Trade the quantity and declared values of the exports from the United Kingdom of aeroplanes and parts thereof during the year 1932?

Mr. RUNCIMAN: 300 aeroplanes of United Kingdom manufacture, valued at £641,428, 452 aeroplane engines valued at £467,409, and other aeroplane parts valued at £632,594 were exported from this country during the year 1932.

Mr. GRENFELL: Can the right hon. Gentleman inform us whether the exports of 1932 are much better than those of the previous year?

Mr. RUNCIMAN: I should like to have notice of that question.

JAPANESE IMPORTS.

2. **Mr. MANDER** asked the President of the Board of Trade the imports in 1932 by various parts of the British Empire from Japan; and the proportion which these bear to the total export trade of Japan?

The PRESIDENT of the BOARD of TRADE (Mr. Runciman): As the answer involves a tabular statement, I will circulate it in the OFFICIAL REPORT.

Following is the statement:

STATEMENT showing the value of merchandise exported from Japan to British Empire countries during 1932, together with the proportions which these exports bear to the total export trade of Japan with countries outside the Japanese Empire.

	Thousand yen.	Proportion of total exports. Per cent.
Total exports	1,409,992	
of which exported to:—		
Great Britain ...	59,658	4.2
Hong Kong ...	18,041	1.3
British India ...	192,492	13.7
Straits Settlements	25,550	1.8
British Borneo ...	51	0.0
Aden	8,307	0.6
Canada	8,562	0.6
Cape Colony and Natal	16,418	1.2
Eastern Africa ...	15,760	1.1
Australia	36,895	2.6
New Zealand ...	2,993	0.2
Total to above British Empire countries ...	384,727	27.3

Notes to the above table.

(*a*) The value of the total exports is in respect of merchandise exported from Japan proper to countries outside the Japanese Empire. Exports to Korea, Formosa, etc., are excluded, but those to leased territory in China are included.

(*b*) The British Empire countries are those distinguished in the official trade returns of Japan, particulars in respect of other British countries not being available. "Eastern Africa" is, however, included, as the trade with this area is probably mainly with British countries in East Africa.

(*c*) The par and average rates of exchange are as follows:

	Yen.	
Par	9.763	= £1.
Average rate of exchange (1932) ...	12.528	

7. **Mr. ROBINSON** (*for* **Mr. CHORLTON**) asked the President of the Board of Trade if, in view of the effect on home trade of Japanese imports into Empire countries and the failure of any attempt to stop it, he will consider giving a compensating bounty to the industries in this country?

Mr. RUNCIMAN: I would refer my hon. Friend to the reply given him on the 6th March, to which I have at present nothing to add.

Mr. HAMMERSLEY: Are we to understand from that reply that, however abnormal the circumstances of Japanese competition may be, no help will be forthcoming in this difficult situation?

Mr. RUNCIMAN: No, Sir. That would be a wrong deduction.

12. **Mrs. COPELAND** asked the President of the Board of Trade what was the value of the china ware imported from Japan during the months of January and February; and how such imports compare with those for similar months in 1930-31?

Mr. RUNCIMAN: As the answer involves a number of figures I will circulate it in the Official Report.

Mrs. COPELAND: May I ask my right hon. Friend whether he is aware of the seriousness of Japanese competition with English pottery, owing to the fact that the tariff to-day is considerably lower than it was under the Safeguarding Act; and is he also aware that an order given to one of our English firms was cancelled, and that it was an order for one thousand dozen cups and saucers and Japan got the order?

Mr. RUNCIMAN: We shall take into consideration any facts which my hon. Friend cares to lay before us.

Following is the answer:

The following table shows the total declared value of china, including translucent pottery and all pottery known as china or porcelain, other than electrical ware, imported into the United Kingdom and registered during the months of January and February of each of the years 1930, 1931 and 1933, as consigned from Japan.

Year.	January.	February.
	£	£
1930	1,441	1,994
1931	2,218	2,027
1933	5,635	1,733

Note.—The above figures for 1930 and 1931 relate to imports consigned from Japan (including Formosa and Japanese leased territories in China) while those for 1933 relate to Japan, including Formosa only.

Denmark.

4. **Mr. HALL-CAINE** asked the President of the Board of Trade the progress made with Denmark in the negotiations for a trade treaty; and whether he will suggest to those concerned the need for expedition in reaching a settlement?

Mr. RUNCIMAN: Substantial progress has been made in the trade negotiations with Denmark, and I can assure my hon. Friend that they are proceeding without any avoidable delay.

Imports.

5. **Mr. CAMPBELL** asked the President of the Board of Trade how the volume of retained manufactured imports in 1923 and 1924, respectively, compared with that in 1932?

Mr. RUNCIMAN: Eliminating the effect of price changes, the volume of the retained imports into the United Kingdom of articles wholly or mainly manufactured was in 1923 about the same as in 1932. In 1924 it was greater than in 1932 by about 18 per cent.

Mr. CAMPBELL: Do not these figures indicate that more protection for our best industries is required if they are to succeed?

Mr. RUNCIMAN: My hon. Friend is quite capable of drawing his own deductions from my statement.

Mr. CAMPBELL: But will my right hon. Friend take suitable action?

Tariffs.

9. **Sir EUGENE RAMSDEN** asked the President of the Board of Trade how many complaints have been received that foreign countries have infringed the spirit of the most-favoured-nation clause in our commercial treaties with them during the last three years by special sub-division of their tariff schedules, leading to virtual discrimination against British goods; what foreign countries were concerned; and what action, if any, has been taken by His Majesty's Government in each individual case and with what result?

Mr. RUNCIMAN: I cannot recall any important cases of this kind which have arisen during the last three years.

10. **Mr. D. GRENFELL** asked the President of the Board of Trade whether

[Mr. Grenfell.]
he is satisfied that the trade of this country is getting full benefit from the operation of the most-favoured-nation clause; and whether he will propose to the World Economic Conference the adoption of more directly reciprocal measures as a means of reaching agreement to lower tariffs all round?

Mr. RUNCIMAN: I am satisfied that the most-favoured-nation clause in this country's commercial treaties has been an invaluable safeguard to its external trade. As regards the second part of the question, I have nothing to add to the answer that was given to the hon. Member on the 21st February.

BANKRUPTCIES (ALIENS).

11. **Mr. STOURTON** asked the President of the Board of Trade the number of naturalised aliens who have been declared bankrupt during each of the past 10 years, including those who may have during that period anglicised their names?

Mr. RUNCIMAN: The information desired is not available.

EMPIRE ECONOMIC CONSULTATION.

24. **Mr. D. GRENFELL** asked the Secretary of State for Dominion Affairs whether His Majesty's Government is paying the expenses involved in the work of the Committee on Economic Consultation and Co-operation for the British Empire; and, if so, under what Vote it will appear?

The SECRETARY of STATE for DOMINION AFFAIRS (Mr. J. H. Thomas): Each of the Governments represented on the Committee is bearing any necessary expenses of its own representatives. The Committee have accepted an offer by His Majesty's Government in the United Kingdom to arrange for any assistance required from this country in the way of secretarial assistance and office accommodation. Any expenditure not met from existing services will be charged to the Dominion Services Vote.

Mr. GRENFELL: Is there any reason why this country should pay these expenses for secretariat and staffs for the representatives of the other countries which are coming here?

Mr. THOMAS: There is no reason why except this—that this is a committee founded as a result of the Ottawa Agreements to see whether it is possible to co-ordinate the whole of the existing agencies. Canada is responsible for calling the committee, and all the Dominions are paying the expenses of their representatives and the least that the British Government could do would be to offer secretarial facilities when the conference is being held in our own country. That is the least we would be expected to do, and that we are doing.

NEW ZEALAND (RATE OF EXCHANGE).

25. **Mr. DINGLE FOOT** asked the Secretary of State for Dominion Affairs whether his attention has been called to the recent alteration in the New Zealand rate of exchange from £110 to £125 New Zealand currency for £100 sterling; and whether, in view of the effect such alteration is likely to have on exports from the United Kingdom to New Zealand and in view of the tenor of the Ottawa Agreements, he has made or proposes to make representations upon the subject to His Majesty's Government in New Zealand?

Mr. THOMAS: I would refer the hon. Member to the answer I gave to a similar question on 14th February, of which I am sending him a copy.

BRITISH INDUSTRIES FAIR.

26. **Rear-Admiral SUETER** asked the Secretary to the Overseas Trade Department whether he is aware that at the British Industries Fair a purchaser of what he thought was a British-made clock found, on reaching his home, that it was made in Switzerland; and whether he will take steps to see that clocks of British manufacture are sold at the British Industries Fair and not those of foreign origin?

Lieut.-Colonel J. COLVILLE (Secretary, Overseas Trade Department): Under the regulations governing participation in the British Industries Fair, all goods to be eligible for exhibition must have been manufatured or produced mainly within the British Empire, and in conformity with this condition, it may have been possible for a clock to be sold at the fair containing a movement of foreign manufacture. The general regulation governing the admissibility of goods for display at the fair as applied to watches and clocks was decided upon some years ago in consultation with the trade associations concerned. In view of developments in the United Kingdom clockmaking industry, it is now proposed to review the position in order to determine whether modification of the regulations is desirable.

Rear-Admiral SUETER: Is the hon. and gallant Gentleman aware that this clock was bought by Admiral Sir Lewis Clinton-Baker from the Riverside Manufacturing Company and that it had the words "Made in Switzerland" on the face of it?

Lieut.-Colonel COLVILLE: I shall be glad to have any further information which my hon. and gallant Friend can give me, but, as I have said, we are examining the general question with a view to considering whether any modifications of the regulations are desirable.

27. **Sir COOPER RAWSON** asked the Secretary to the Overseas Trade Department if he proposes to take any action with regard to the American device manufactured at Holyoke, Massachusetts, advertising a product of Detroit, United States of America, and exhibited on Stall B 102 at the British Industries Fair, with a view to keeping a closer check in future on foreign exhibits?

Lieut.-Colonel COLVILLE: My hon. Friend will be glad to know that the specimen of paper which he sent me, obtained from Stand B 102 at the recent British Industries Fair, was not displayed there as the advertisement of the product of a foreign firm. One of the exhibits upon this stand was that of a British manufacturer of "dandy rolls" which are used for producing water marks in paper, and the specimen in question illustrates the use of the British firm's rolls by paper makers in the United States of America. A close check is kept to prevent infringement of the regulations of the fair in the manner suggested by my hon. Friend.

FALSTER ZEALAND BRIDGE CONTRACT.

49. **Mr. HALL-CAINE** asked the Chancellor of the Exchequer if he can make any statement as to the restrictions placed by the Treasury upon the raising of capital needed for the construction of the Falster Zealand Bridge?

51. **Mr. STOURTON** asked the Chancellor of the Exchequer if his attention has been called to the fact that a contract has recently been awarded by the Danish Government to Messrs. Dorman Long for the construction of a £2,000,000 bridge; and if, in view of the importance of this contract, involving an order for £1,000,000 of British steelwork, he will be prepared to make an exception in this case to the general embargo on foreign loans, so that the conditional proviso that part of the sum required is raised in this country can be fulfilled?

The FINANCIAL SECRETARY to the TREASURY (Mr. Hore-Belisha): My right hon. Friend has this question under consideration, but is not yet in a position to make a statement about it.

IMPORT DUTIES.

53. **Mr. LOUIS SMITH** asked the Chancellor of the Exchequer whether he is aware that the country's nett adverse balance of trade for 1932 is calculated at £39,000,000; and whether, as the restriction of imports of manufactured goods and agricultural produce has so far been achieved more by the reduction of the value of sterling in terms of gold than by the Import Duties, he will take steps to ensure that the Import Duties on manufactured goods and agricultural products are raised correspondingly to the rise in the value of sterling in terms of the currencies of countries still on the Gold Standard?

Mr. HORE-BELISHA: The adverse balance of payments for 1932 has been estimated by the Board of Trade at £59,000,000. My right hon. Friend must not be taken as agreeing with the assumption underlying my hon. Friend's question that the fall in imports is due more to the reduction in the value of sterling than to Import Duties. As regards the last part of the question, there is a procedure laid down by the Import Duties Act for dealing with changes in the rates of duties and my right hon. Friend sees no reason for modifying it.

Mr. SMITH: Is the hon. Gentleman aware that already in several industries the Import Duty is insufficiently high to effect the purpose for which it was imposed?

Mr. HORE-BELISHA: If that be so, the Import Duties Advisory Committee is the proper body to deal with it.

SHIPBREAKING (DUTY).

54. **Mr. BERNAYS** asked the Financial Secretary to the Treasury if he is aware that the 20 per cent. duty payable on British-owned vessels built abroad if conveyed to British ports for breaking up purposes has resulted in ships being taken for demolition to countries where no such tax exists, and a consequent loss of employment for British shipyards; and whether he will revoke the order imposing the said duty?

Mr. HORE-BELISHA: I am not aware that the imposition of a duty on ships imported for the purpose of breaking up has had the effect referred to by the hon. Member. It is, however, open to the interests concerned to make representations to the Import Duties Advisory Committee in regard to the matter.

EXCHANGE RESTRICTIONS.

8. **Mr. ROBINSON** (*for* **Mr. CHORLTON**) asked the President of the Board of Trade if he has yet been able to make arrangements to overcome the effect on our export trade of the frozen remittances regulations in many countries; and, if not, what action he proposes to take?

Mr. RUNCIMAN: The lines on which His Majesty's Government are endeavouring to meet the position are indicated in the replies given to my hon. Friend on the 20th October and 13th February.

Mr. HAMMERSLEY: Can my right hon. Friend say when the report from the committee which is looking into this matter may be expected?

Mr. RUNCIMAN: No, Sir, I am afraid I cannot say, but I have no doubt that they are pressing on with their work as rapidly as possible.

BRITISH ARMY.

RESERVISTS (PAY).

13. **Mr. SMEDLEY CROOKE** asked the Financial Secretary to the War Office if, in view of the recent cut in the pay of the reservists, and taking into account that payments are not made in advance and that many reservists are now suffering privations, he will arrange for the payment to be made monthly?

The FINANCIAL SECRETARY to the WAR OFFICE (Mr. Duff Cooper): In view of the extra work and expense that would be involved in making these payments 12 times a year instead of four as at present, I regret that I am unable to adopt my hon. Friend's suggestion.

DISTINGUISHED AND MERITORIOUS SERVICE FUND.

15 and 16. **Brigadier-General SPEARS** asked the Financial Secretary to the War Office (1) if he will give the names of the officers in receipt of grants from the Distinguished and Meritorious Service Fund; and the amount of the grant in each case;

(2) what would be the annual cost of publishing in the Army Estimates the names of the officers receiving grants from the Distinguished and Meritorious Service Fund; and what was the cost of doing so in 1914?

Mr. COOPER: The list of rewards to officers was removed from Estimates in 1925 at the same time as the list of rewards to Warrant Officers and Non-Commissioned Officers and Victoria Cross annuitants. This was done as a measure of economy both in printing costs and in clerical labour. I cannot put an exact figure on these costs, but I should be unwilling to restore them, and I would ask my hon. and gallant Friend to note that the rewards to officers are now confined to those with limited means which provides an additional reason for not making them public.

UNEMPLOYMENT.

EX-SERVICE MEN.

14. **Mr. SMEDLEY CROOKE** asked the Financial Secretary to the War Office if in order to support the claims of the unemployed ex-service men, he will issue instructions that those taking part in the present recruiting campaign should recommend to employers that they should give preference to ex-service men and Territorials in offering employment?

Mr. COOPER: I presume that my hon. Friend refers to the recruiting tour for the Territorial Army undertaken by the Parliamentary Under-Secretary of State and the Director-General of the Territorial Army. This tour is not directly concerned with the employment of ex-service men, but every opportunity is being taken, I understand, to press the claims of the Territorials upon employers.

Mr. CROOKE: Is the Financial Secretary aware that his Noble Friend is leaving out of his calculations altogether the claims of ex-service men?

Mr. COOPER: This particular tour is concerned with recruiting for the Territorial Army, and my Noble Friend cannot take into consideration every claim that may be put forward but of course he is in favour of ex-service men as much as Territorials.

ROYAL COMMISSION (RECOMMENDATIONS).

44. **Mr. McKEAG** asked the Prime Minister when it is intended to introduce legislation to give effect to the recommendations of the Royal Commission on Unemployment Insurance; and whether such legislation will give additional assistance to the depressed areas?

The LORD PRESIDENT of the COUNCIL (Mr. Baldwin): The recommendations of the Royal Commission are under consideration by the Government. The position in the distressed areas is very closely related to certain of them and must be considered with them. I am unable at the moment to say when legislation will be introduced.

Mr. McKEAG: Is the right hon. Gentleman aware that the report of this Commission was published in November last, and that the dalliance of the Government in dealing with it is causing grave dissatisfaction in the depressed areas?

Mr. BALDWIN: I am aware when the report was published, and, if the hon. Gentleman had any responsibility for promoting legislation in this House, he would not consider three months dalliance.

SCOTLAND (AGRICULTURAL WORKERS' WAGES).

18. **Mr. KIRKWOOD** asked the Secretary of State for Scotland whether, in view of the wage cuts imposed upon shepherds and ploughmen, which reduce the wages of married men to £30 per year with the usual small perquisites, he will take steps to bring such classes under the provisions of the Agricultural Wages Act?

The SECRETARY of STATE for SCOTLAND (Sir Godfrey Collins): I think the hon. Member is under a misapprehension as to the current rates of remuneration of married shepherds and ploughmen in Scotland. So far as I am aware the cash wages are not as low in any district as the figure mentioned in the question and in most districts are much higher. Further, in the districts where the cash wages are lowest the value of the allowances or perquisites such as house, meal, milk or potatoes is relatively high and represents a substantial addition to the cash wages. I have no evidence that there is any general desire on the part of Scottish farm servants for amending legislation to extend the provisions of the Agricultural Wages (Regulation) Act of Scotland.

Mr. KIRKWOOD: If I put before the right hon. Gentleman facts regarding the shepherds in Caithness-shire, who are living under the conditions stated in the question, £30 a year with small perquisites, will he go into the matter and see what he can do to alleviate the terrible conditions which prevail in Caithness?

Sir G. COLLINS: I shall be glad to look into any facts on the subject which the hon. Member will bring before me.

COAL INDUSTRY.

HOURS OF WORK (PROSECUTIONS).

19. **Mr. TINKER** asked the Secretary for Mines the number of prosecutions instituted by His Majesty's Inspectors of Mines during the year 1932 for alleged breaches of the 7½ Hours Act, and how many have resulted in convictions?

The SECRETARY for MINES (Mr. Ernest Brown): Proceedings were taken against one colliery company during the year 1932 in respect of breaches of the law in regard to hours of work, and a conviction was obtained in respect of failure to keep a register in the prescribed manner.

Mr. TINKER: Is the Secretary for Mines aware that a large amount of overtime is being worked with which, apparently, the inspectors cannot deal? Will he see that the Act is strengthened in order to deal with this matter?

Mr. BROWN: It depends entirely on what is meant by overtime. It may be emergency overtime, and that is an entirely different matter. If it is a breach

[Mr. Brown.]

of the law, and the hon. Member has any facts he can put before me, I shall be glad to have them brought to my notice and to act upon them.

Mr. TINKER: It is the weakness of the present Act, which I want altered.

Mr. D. GRENFELL: Will the Secretary for Mines give close attention to this and find whether what is regarded as overtime by his inspectors is not a violation of the law?

Mr. BROWN: There again the issue is determined, as in every case, by facts. Unless hon. Members can bring facts before me, I am not able to make up my mind as to whether there has been a breach of the law or not.

Mr. T. WILLIAMS: Has the hon. Member looked into the case of the Ollerton Colliery, where 7.3 per cent. overtime has been worked?

Mr. BROWN: I will have that assertion looked into, but I cannot vouch for the facts. The hon. Member must be responsible for his statement.

AYRSHIRE COAL (SALES, LIVERPOOL).

20. **Captain MacANDREW** asked the Secretary for Mines if he has yet caused inquiries to be made from the secretary of the Scottish Board with regard to the recent sale of Ayrshire coal in Liverpool; whether the price paid was in accordance with the terms of the Act; and if he will make a statement on the matter?

Mr. E. BROWN: I would remind my hon. and gallant Friend that the administration of the schemes is in the hands of the coal owners, and I have no power to intervene. The Central Council of Coal Owners have under consideration an amendment of the central scheme to provide for inter-district co-ordination of prices which would enable cases of this kind to be dealt with. While I have heard allegations that the Scottish pithead price was much below Lancashire prices, there has been no suggestion, so far as I am aware, that the sales of Ayrshire coal in Lancashire have been at prices below the minimum prices fixed by the Scottish Executive Board.

Captain MacANDREW: Has there been anything in the nature of a breach of the Coal Mines Act as a result of Ayrshire coal being sold in Liverpool?

Mr. BROWN: I have already said that, as far as I know, prices are not below those fixed by the Scottish Executive Board.

Captain MacANDREW: Are the Ayrshire coal producers entitled to develop their Lancashire markets?

Mr. BROWN: The hon. Member is now entering upon a subject which admits of a good deal of argument.

ROYAL NAVY (DOMINION CONTRIBUTIONS).

21. **Mr. MANDER** asked the Secretary of State for Dominion Affairs the amount contributed by each Dominion towards the upkeep of the Navy?

Mr. J. H. THOMAS: Apart from the contribution made by New Zealand towards the cost of the Singapore Naval Base, the Dominions do not contribute directly towards the upkeep of the Royal Navy. Most of the Dominions do, however, maintain at their own cost naval forces and establishments. Particulars will be found on pages 295-300 and 463-485 of the current Navy List.

Mr. MANDER: Is there any prospect of obtaining a contribution more in keeping with the services rendered by the British Navy?

Mr. THOMAS: If the hon. Member will look at the amount of their contribution towards their own Navy, he will be able to make the right deduction.

IRISH FREE STATE.

22. **Mr. JOEL** asked the Secretary of State for Dominion Affairs whether he proposes to recommend additional measures to raise the sum of money equivalent to the sums of money received by the Irish Free State from the land annuities and now confiscated by the Government of the Irish Free State?

Mr. J. H. THOMAS: I would refer my hon. Friend to the reply which I gave on the 7th March to my right hon. Friend the Member for Epping (Mr. Churchill) and to previous questions on the subject, to which I cannot at present add anything.

VISITING FORCES (BRITISH COMMONWEALTH) BILL.

23. **Sir HERBERT SAMUEL** asked the Secretary of State for Dominion Affairs which of the Dominions have enacted legislation on the lines of the Visiting Forces (British Commonwealth) Bill now before Parliament; whether any other of the Dominions have intimated that they propose to do so; and whether such legislation contains provisions which would deprive members of United Kingdom forces which may visit those Dominions in future of the right they have hitherto enjoyed, if it is alleged that a military court has exceeded its jurisdiction, or otherwise acted illegally, of recourse by writ of habeas corpus to the civil courts of part of the British Commonwealth?

Mr. J. H. THOMAS: As regards the first part of the question, legislation on the lines of the Visiting Forces Bill has already been passed by the Parliament of the Union of South Africa. As regards the second part of the question, I understand that similar legislation has recently been introduced into the Canadian Parliament; the question of legislation in other Dominions is still under consideration. As regards the third part, the legislation already passed by the Union Parliament is in terms substantially identical with the terms of the Visiting Forces Bill. I have not yet seen the text of the Bill introduced into the Canadian Parliament, though it is understood that it was the intention of the Canadian Government to introduce legislation in identical terms.

Sir H. SAMUEL: Will the right hon. Gentleman answer the last part of the question, namely, whether such legislation would deprive members of United Kingdom forces visiting these Dominions of the right of recourse by writ of habeas corpus to the civil courts of the Dominions?

Mr. THOMAS: The object of this particular legislation was clearly to give the Dominions the power of governing their own particular forces according to the circumstances of their own agreements but if my right hon. Friend puts specifically to me whether the legislation denies the right to which he refers, that is a legal point which I cannot answer.

Sir H. SAMUEL: That is precisely the question which is on the Paper.

Mr. THOMAS: It is because we have no reason to anticipate that that right will be interfered with that I have given the answer which I have given.

BRITISH BROADCASTING CORPORATION.

28. **Mr. DORAN** asked the Postmaster-General whether, in the interests of national economy, he will take steps to reduce the amount of the grant to be made to the British Broadcasting Corporation out of public funds in the coming financial year, as recommended by the May Economy Committee?

The POSTMASTER-GENERAL (Sir Kingsley Wood): The British Broadcasting Corporation have agreed to make a contribution of £250,000 in respect of the coming financial year; and I desire to add that their action in this matter is appreciated by my right hon. Friend the Chancellor of the Exchequer and myself.

Mr. DORAN: Is the right hon. Gentleman aware that this question was first submitted to the Chancellor of the Exchequer and was transferred without any word to me, or any authority; and, in view of the very unsatisfactory replies to this and many other questions, I beg to give notice that I shall raise this question on the Adjournment.

Mr. MAXTON: Was the right hon. Gentleman's visit to Glasgow last week on behalf of the British Broadcasting Corporation or in connection with his ordinary duties as Postmaster-General?

Sir K. WOOD: It has nothing to do with the British Broadcasting Corporation.

KING'S PROCTOR.

29. **Mr. McKEAG** asked the Attorney-General the total cost for 1932 of the Department of the King's Proctor, and also the number of cases in which the King's Proctor intervened during the same year?

The SOLICITOR-GENERAL (Sir Boyd Merriman): It is not possible to state exactly the total cost of the Department of the King's Proctor as it is a branch of the Treasury Solicitor's office and there is one staff common to both. The total salaries of the staff who are engaged from time to time on the work of the King's Proctor's Department amounted in 1932 to £4,083 4s. 2d. The net expenditure apart from salaries was £5,122 14s. 11d. During that period the King's Proctor intervened in 30 cases.

Mr. McKEAG: Is my hon. and learned Friend aware that, quite apart from the question of economy, certain eminent judges of the High Court have expressed themselves in favour of the abolition of this department, and, in those circumstances, will he consider the advisability of abolishing it?

The SOLICITOR-GENERAL: I am aware that judges of the High Court from time to time direct the King's Proctor to intervene in cases, and my right hon. and learned Friend the Attorney-General is not prepared to consider the abolition of the King's Proctor.

TRANSPORT.

TRAFFIC COMMISSIONERS (REPORTS).

30. **Mr. LLEWELLYN-JONES** asked the Minister of Transport whether he has received the annual reports of the traffic commissioners as provided by Section 65 of the Road Traffic Act, 1930; and whether it is his intention to publish such reports or otherwise to make them available to Members of both Houses of Parliament?

The MINISTER of TRANSPORT (Mr. Oliver Stanley): The first annual reports of the traffic commissioners covering the period up to the 31st March, 1932, were published last November and copies were then made available for hon. Members through the usual channels.

MOTOR INSURANCE.

31. **Mr. LLEWELLYN-JONES** asked the Minister of Transport whether he is aware that a considerable number of the policies of insurance purporting to be issued in accordance with the provisions of Part II of the Road Traffic Act, 1930, do not afford a full cover to the owner of the motor vehicle in respect of which the policy is issued; and whether he will take such steps as he may deem desirable for inquiring into the administration of this part of the Act?

Mr. STANLEY: I am aware that there are insurance policies which do not undertake to cover the policy holder in the event of his using his vehicle in a manner or for a purpose excluded by the terms of the policy. It would be impracticable to make all motorists take out policies which afforded them unconditional and universal cover, and it is a matter for the insured person to satisfy himself that the use to which he proposes to put his vehicle is covered by the terms of his policy.

Mr. LLEWELLYN-JONES: Is the hon. Gentleman aware that cases are constantly occurring in which persons who have been injured on the road find when they endeavour to recover from the driver and owner of the car which has caused the injury that his policy does not cover the case; and will some inquiry be made into the terms of these policies with a view to making them cover, if possible, all the risks on the road which the Road Traffic Act intended should be covered?

Mr. STANLEY: As I have told the hon. Member, I do not think that it would be practicable to cover all risks, but there are one or two aspects of the matter which I am considering now.

SEVERN BARRAGE SCHEME.

32. **Mr. L. SMITH** asked the Minister of Transport the policy of the Government in relation to the final report of the Severn Barrage Committee?

Mr. STANLEY: The report of this committee, which gives the result of a long and intricate inquiry, is at present under consideration by His Majesty's Government. Before coming to any decision the Government naturally desire an opportunity of learning the views of local authorities and other interests concerned.

Mr. SMITH: Before the hon. Gentleman spends any valuable time in considering this doubtful scheme, will he give consideration to other more useful schemes, in which no financial assistance is required and by which employment can be found, such as the Humber Bridge scheme?

Mr. STANLEY: I cannot specify any particular scheme, but clearly this scheme will have to be considered in conjunction with other schemes for Government assistance.

LICENSING ACT (PERMITTED HOURS).

33. **Mr. LLEWELLYN-JONES** asked the Secretary of State for the Home Department whether he is aware that in certain licensing districts the licensing justices have in the exercise of their powers under Section 1 of the Licensing Act, 1921, fixed permitted hours for the sale of intoxicating liquor during the period of summer time different from the permitted hours during the remainder of the year; and whether he can inform the House of the number of licensing districts in which this course has been adopted and under what statutory authority the licensing justices have made this differentiation?

The SECRETARY of STATE for the HOME DEPARTMENT (Sir John Gilmour): The answer to the first part of the question is in the affirmative. As regards the second part, I am afraid that I have no information as to the number of licensing districts in which the action mentioned has been taken. The last part raises a question of interpretation of the terms of the Statute in regard to which, as the hon. Member may be aware, some difference of opinion exists, and which can only be settled by the decision of a court of law.

Mr. LLEWELLYN-JONES: With regard to the dilemma in which licensing justices are placed in various parts of the country, will the right hon. Gentleman take steps to have this matter cleared up, in the courts if necessary?

Sir J. GILMOUR: I do not think that that is my province.

PUBLIC HEALTH.

MATERNAL MORTALITY.

34. **Dr. JOHN WILLIAMS** asked the Minister of Health whether he will give, for the latest possible year, the five highest and five lowest maternal mortality rates in county councils and county boroughs, respectively?

Captain AUSTIN HUDSON (Lord of the Treasury): I have been asked to reply. The information asked for for the latest year for which figures are available, namely, 1931, will be found in Table 10 of the Registrar-General's Statistical Review for 1931 (Tables, Part I).

HOSPITALS.

35. **Dr. J. WILLIAMS** asked the Minister of Health if he will furnish a statement for the latest possible date of the numbers and beds in hospitals on the lines of the statement given in the House of Commons on 4th December, 1930, giving in addition the average cost per patient per week in each type of hospital?

Captain HUDSON: My right hon. Friend will furnish the hon. Member in due course with such information as is available on these points.

RATES (ASSESSMENTS).

36. **Mr. TOUCHE** asked the Minister of Health whether he has now received any recommendation from the Central Valuation Committee as to the desirability of issuing a communication to local authorities regarding the assessment of houses upon which work has been done as a result of local campaigns to relieve unemployment?

Captain HUDSON: My right hon. Friend's suggestion to the Central Valuation Committee was that they might themselves consider it desirable to address a communication to local authorities and he understands that they have decided to do so.

ROYAL SEAMEN'S PENSION FUND.

38. **Sir ROBERT HAMILTON** asked the Minister of Health the number of years that a crofter-fisherman would require to serve before he could reasonably expect to be granted a pension under the scheme of pensions now being administered by the governing body of the Royal Seamen's Pension Fund?

Captain HUDSON: The conditions governing the award of pensions out of the Royal Seamen's Pension Fund are

[Captain Hudson.]
contained in the scheme for the administration of the benefits out of that fund, a copy of which has been placed in the Library in accordance with the hon. Member's request. There is no reason to think that the governing body of the fund, who are responsible for its administration, have departed from the terms of the scheme. If, however, the hon. Member is aware of any case in which he considers that the terms of the scheme have not been observed, and will furnish my right hon. Friend with particulars, he will see that inquiry is made into the matter.

39. **Sir R. HAMILTON** asked the Minister of Health whether he is aware that when a pension is refused by the governing body of the Royal Seamen's Pension Fund the applicant is not informed of the reason for such refusal; and whether steps can be taken to ensure that such reasons are given in all cases?

Captain HUDSON: My right hon. Friend is informed by the governing body of the Royal Seamen's Pension Fund that it is their normal practice to inform an applicant of the reason for the failure of his application for a pension.

Sir R. HAMILTON: If I have cases in which no reason is given for refusing an application, may I draw them to the attention of the Minister?

Captain HUDSON: I am sure that my right hon. Friend will be only too happy to receive them.

40. **Sir R. HAMILTON** asked the Minister of Health whether it is open to an applicant who has been refused a pension by the governing body of the Royal Seamen's Pension Fund, on the ground of an insufficient number of pensions being available, to renew his application on a subsequent occasion?

42. **Sir MURDOCH McKENZIE WOOD** asked the Minister of Health whether applications for pensions from the Royal Seamen's Pension Fund are entertained from applicants who have been unsuccessful with previous applications; and, if so, whether he can state for the guidance of seamen the conditions under which such subsequent applications are permitted?

Captain HUDSON: My right hon. Friend is informed by the governing body of the Royal Seamen's Pension Fund that it is their normal practice to advise unsuccessful applicants for pension of their right to submit a subsequent application if there is any probability of such an application being successful.

HOUSING (BUILDING MATERIALS).

41. **Mr. ROBINSON** asked the Minister of Health whether he has any information as to the principal classes of foreign materials which local authorities find it necessary to use, especially in regard to schemes of housing and slum clearance?

Captain HUDSON: The Ministry of Health have urged local authorities to make use, to the utmost extent practicable, of goods and materials of home and Empire origin, and my right hon. Friend has reason to believe that this practice is being very generally observed, but no general information of the kind suggested is supplied to him.

FLOODS, DON VALLEY.

43. **Mr. T. WILLIAMS** asked the Minister of Agriculture what communications he has received from local authorities in the Don Valley area relating to floods; and will he state the nature of his reply?

The MINISTER of AGRICULTURE (Major Elliot): Various communications have been received from the urban district council of Bentley-with-Arksey as to the recent flooding in that area. I do not think, however, I can say more than that every effort is being made to secure the passage into law of the Doncaster Area Drainage Bill with as little delay as possible.

Mr. WILLIAMS: In the reply to the communication from the Bentley Council, was any promise of financial assistance from the Treasury made, or any other assistance promised that may secure an early undertaking of this work?

Major ELLIOT: No promise of any financial assistance from the Treasury has been made. The main desire of the council which it pressed upon us, was that the law should be put into force as quickly as possible.

NATIONAL FINANCE.

Defence Expenditure.

45. **Mr. MANDER** asked the Prime Minister whether consideration will be given to the question of effecting large economies in expenditure by substituting the Royal Air Force for the Territorial Army for the defence of the country from invasion?

Mr. BALDWIN: The defence of this country from invasion is a matter of co-operation between the three defence services, and is kept constantly under review.

Beer and Tea Duties.

46 and 47. **Mr. LEWIS** asked the Chancellor of the Exchequer (1) what would be the estimated loss of revenue in a full year if one penny were taken of the Beer Duty;

(2) What would be the estimated gain in revenue in a full year if an additional tax of 2d. per pound were levied on foreign tea and an additional tax of 1d. per pound were levied on Empire tea?

Mr. HORE-BELISHA: My hon. Friend will realise that to estimate the gain or loss involved in changes of taxation it is first necessary to estimate the yield of taxes on the existing basis. This is usually reserved for the Budget statement and my right hon. Friend is not prepared at the present time to commit himself to figures in regard to next year's estimates of revenue: still less to the effect of hypothetical changes of taxation.

Mr. THORNE: Can the hon. Gentleman state what it would cost the Exchequer if we took a penny a pint off beer?

Mr. HORE-BELISHA: No, Sir.

52. **Mr. STOURTON** asked the Chancellor of the Exchequer if, in order to counter the heavy decline in beer consumption, he will consider reducing the duty upon the standard barrel by such a sum as would enable the price of beer to be reduced by 2d. a pint if the brewers are prepared to bear 25 per cent. of the estimated loss of revenue to the Exchequer?

Mr. HORE-BELISHA: My right hon. Friend has noted the suggestion.

Mr. STOURTON: In considering this question, will the Chancellor of the Exchequer bear in mind that it would be well worth while to deal with the matter boldly, for whereas a reduction of one penny a pint would be a step in the right direction, a reduction of 2d. would so enormously increase consumption as to make good a large proportion of estimated loss of revenue?

Mr. HORE-BELISHA: I will call my right hon. Friend's attention to what my hon. Friend has said.

Income Tax (Co-operative Societies).

50. **Mr. T. WILLIAMS** asked the Chancellor of the Exchequer whether the Government propose to adopt the recommendations of the committee appointed to inquire into the position of co-operative societies in relation to Income Tax?

Mr. HORE-BELISHA: Questions involving taxation are Budget matters and my right hon. Friend cannot anticipate the Budget statement.

Mr. WILLIAMS: In the interests of the safety of the National Government, can the hon. Gentleman make an early statement?

Mr. HORE-BELISHA: That interest is well preserved.

TRUSTEE SECURITIES (NEW AND CONVERSION ISSUES).

48. **Mr. LEWIS** asked the Chancellor of the Exchequer when the restrictions on optional conversion issues which rank as trustee securities and involve either underwriting or an invitation to the public to subscribe new cash will be removed?

Mr. HORE-BELISHA: New issues of securities of the trustee class are being made rapidly; there have been about a dozen in the last six or seven weeks. The limited restriction referred to in the question is necessary to prevent congestion of the market and my right hon. Friend is not in a position to indicate when it can be withdrawn. I take this opportunity of indicating that the restriction does not prevent local authorities in this country from issuing stock for the purpose of funding mortgages, subject to agreement with the Bank of England as to date and amount of issue.

WHEAT PRICES.

6. **Sir M. WOOD** (*for* **Mr. GRAHAM WHITE**) asked the President of the Board of Trade what are the prices of

[Sir M. Wood.]

wheat in local currency and in terms of gold at the latest date for which figures are available in Great Britain, Belgium, France, Germany, and Italy?

Mr. RUNCIMAN: As the answer involves a table of figures, I will circulate it in the OFFICIAL REPORT.

Following is the answer:

The following statement shows the prices, so far as they are available:

Home-grown Wheat.

—	Description.	Date of Quotation.	Price in local currency.	Price in Gold £ per cwt.
Great Britain	English "Gazette Average."	March 4	5s. 2d. per cwt.	0·184
Belgium*	—	—	—	—
France	Official price at Station or quay, Paris.	March 7	104 francs per 100 kilograms.	0·421
Germany	Official price at Station, Berlin.	March 4	211·5–212 Reichmarks per metric ton.	0·525
Italy	Soft wheat, Turin (of home origin) free ex station.	Feb. 4	104–110 lire per 100 kilograms.	0·600

Imported Wheat, Canadian (Manitoba).

Great Britain	No. 2 spot, Liverpool	March 7	5s. 7½d. per 100 lbs.	0·200
Belgium	No. 2 spot, delivered terms, Antwerp.	March 7	5–10 Dutch florins per 100 kilograms.	0·212
France*	—	—	—	—
Germany	No. 2 c.i.f. Hamburg	March 4	5·05 Dutch florins per 100 kilograms.	0·210
Italy*	—	—	—	—

* Comparable information not available.

HOUSE OF COMMONS (STANDING ORDERS AND DIVISION LISTS).

Sir BASIL PETO: I desire to ask you, Mr. Speaker, a question of which you will have had notice, and that is whether you have an announcement to make to the House about the recommendation made by the Select Committee on Procedure that a technical committee should be appointed to revise the Standing Orders?

Mr. SPEAKER: In accordance with the recommendations which were made by the Select Committee on Procedure, I have appointed a small technical committee composed of the following: Sir Dennis Herbert, Chairman of the Committee of Ways and Means, who has consented to act as Chairman, Mr. Godfrey Locker-Lampson, Sir John Ganzoni, Mr. Neil Maclean, Sir Murdoch McKenzie Wood, and Sir Horace Dawkins, Clerk of the House of Commons. Their terms of reference will be the following:

"To examine the Standing Orders relating to Public Business, and to make such suggestions as they may think fit for the removal of ambiguities, for the repeal of those Orders that are found to be obsolete, and for the amending of others to bring them into conformity with present practice."

Sir B. PETO: May I also ask you, Mr. Speaker, a question arising out of one that I asked 10 days ago, namely, whether you have yet had an opportunity of consulting the parties in the House as to the adoption of the recommendation of the Publication and Debates Committee that in the interests of economy Division Lists should not be printed in the Votes and Proceedings of the House?

Mr. SPEAKER: Since the hon. Baronet put that question to me a short time ago I have, in accordance with my promise, ascertained the views of the various parties in the House as to whether they would agree to the suggested economy by discontinuing the printing of Division Lists in the Votes as well as in the OFFICIAL REPORT. I have failed to get agreement to this change from all the parties, and so I am afraid that that economy cannot be effected.

Mr. THORNE: May I ask whether, in your opinion, the terms of reference will give the Committee power to examine and to report as to what time the House shall meet and at what time it shall adjourn?

Mr. SPEAKER: The terms of reference which I have given to the Committee will not enable them to alter the Standing Orders, but merely to clarify them and to bring them into conformity with present practice. It would not enable them to make any such recommendation.

Mr. THORNE: Would they be entitled to recommend that the House should meet earlier and adjourn earlier?

Mr. SPEAKER: No.

Mr. THORNE: I think they ought to be able to do so.

Mr. MAXTON: Arising out of the announcement of the appointment of the Committee, may I ask you, Sir, if there will be a Motion on the Paper in the ordinary way setting up this Committee, and if it will be in order for those of us who sit in this part of the House to move that one other person be added to the Committee, so that the very definite views which we have upon the Standing Orders may find expression in that Committee?

Mr. SPEAKER: No, this will not appear on the Order Paper. It was a recommendation to me personally to set up a Committee.

Mr. MAXTON: Will you be prepared to receive privately representations on the lines of my suggestion?

Mr. SPEAKER: I am always prepared to receive representations from any quarter of the House.

Sir H. SAMUEL: With regard to the proposed economy in not printing the Division Lists in the Votes and Proceedings, will there be any opportunity for the House to express an opinion as a House on that most desirable proposal?

Mr. SPEAKER: That would hardly be for me to say. A Motion dealing with this question could no doubt be put down.

Sir JOSEPH LAMB: Would it be possible for the House to know which party it was that did not agree to this economy being introduced; and may I also ask whether the question was considered of discontinuing to print the Division List in the Votes and Proceedings but to continue them in the OFFICIAL REPORT?

Mr. SPEAKER: The latter part of the question is exactly the point upon which I asked the views of the different parties. As regards which party did not agree, that does not concern me—as long as one party did not agree.

Sir J. LAMB: Is there any way in which the House can know as a House which party it was?

Mr. SPEAKER: Not from me.

PERSONAL EXPLANATION.

Sir ARTHUR STEEL-MAITLAND: May I have the leave of the House to make a personal statement? My attention has been drawn to a statement which I made in the Debate on Carlton House Terrace about Messrs. Pinchin Johnson and Co., to the effect that that company was controlled for all practical purposes by foreign capital. The managing director of the company has informed me that the statement was not justified, and has shown me facts which convince me that the information on which I made it is incorrect. I should dislike to be the author of any inaccurate statement in this House, and not to correct it when asked to do so by those whom it affects, and I therefore wish to withdraw that statement unreservedly, and to say that only a very small fraction of the shareholding is in foreign ownership, and therefore I am satisfied that the control of the company is for all practical purposes wholly British.

BUSINESS OF THE HOUSE.

Motion made, and Question put, "That the Proceedings on Government Business be exempted, at this day's Sitting, from the provisions of the Standing Order (Sittings of the House)."—[*Mr. Baldwin.*]

The House divided: Ayes, 253; Noes, 39.

Division No. 80.]

AYES.

[3.30 p.m.

Adams, Samuel Vyvyan T. (Leeds, W.)
Agnew, Lieut.-Com. P. G.
Albery, Irving James
Allen, William (Stoke-on-Trent)
Anstruther-Gray, W. J.
Apsley, Lord
Astor, Maj. Hn. John J. (Kent, Dover)
Baillie, Sir Adrian W. M.
Baldwin, Rt. Hon. Stanley
Balfour, Capt. Harold (I. of Thanet)
Balniel, Lord
Barclay-Harvey, C. M.
Barrie, Sir Charles Coupar
Beauchamp, Sir Brograve Campbell
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Beit, Sir Alfred L.
Benn, Sir Arthur Shirley
Bernays, Robert
Birchall, Major Sir John Dearman
Blindell, James
Borodale, Viscount.
Boulton, W. W.
Bower, Lieut.-Com. Robert Tatton
Bowyer, Capt. Sir George E. W.
Boyd-Carpenter, Sir Archibald
Brass, Captain Sir William
Briscoe, Capt. Richard George
Brocklebank, C. E. R.
Brown, Col. D. C. (N'th'l'd., Hexham)
Brown, Ernest (Leith)
Browne, Captain A. C.
Buchan-Hepburn, P. G. T.
Burgin, Dr. Edward Leslie
Burnett, John George
Cadogan, Hon. Edward
Caine, G. R. Hall-
Campbell, Edward Taswell (Bromley)
Campbell, Vice-Admiral G. (Burnley)
Campbell-Johnston, Malcolm
Caporn, Arthur Cecil
Castlereagh, Viscount
Cautley, Sir Henry S.
Cayzer, Sir Charles (Chester, City)
Cayzer, Maj. Sir H. R. (Prtsmth., S.)
Cazalet, Thelma (Islington, E.)
Chapman, Sir Samuel (Edinburgh, S.)
Churchill, Rt. Hon. Winston Spencer
Clarry, Reginald George
Collins, Rt. Hon. Sir Godfrey
Colman, N. C. D.
Colville, Lieut.-Colonel J.
Conant, R. J. E.
Cook, Thomas A.
Cooke, Douglas
Cooper, A. Duff
Copeland, Ida
Courtauld, Major John Sewell
Courthope, Colonel Sir George L.
Craven-Ellis, William
Croft, Brigadier-General Sir H.
Crooke, J. Smedley
Culverwell, Cyril Tom
Dalkeith, Earl of
Davison, Sir William Henry
Dawson, Sir Philip
Despencer-Robertson, Major J. A. F.
Dickie, John P.
Donner, P. W.
Doran, Edward
Drewe, Cedric
Duckworth, George A. V.
Dugdale, Captain Thomas Lionel
Duggan, Hubert John
Dunglass, Lord
Elliot, Major Rt. Hon. Walter E.
Ellis, Sir R. Geoffrey
Elmley, Viscount
Entwistle, Cyril Fullard
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Everard, W. Lindsay
Falle, Sir Bertram G.
Fleming, Edward Lascelles
Foot, Dingle (Dundee)
Fox, Sir Gifford

Fremantle, Sir Francis
Fuller, Captain A. G.
Ganzoni, Sir John
Gault, Lieut.-Col. A. Hamilton
Gilmour, Lt.-Col. Rt. Hon. Sir John
Gluckstein, Louis Halle
Glyn, Major Ralph G. C.
Goff, Sir Park
Goldie, Noel B.
Goodman, Colonel Albert W.
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Granville, Edgar
Grattan-Doyle, Sir Nicholas
Graves, Marjorie
Greaves-Lord, Sir Walter
Gretton, Colonel Rt. Hon. John
Grimston, R. V.
Guinness, Thomas L. E. B.
Hacking, Rt. Hon. Douglas H.
Hales, Harold K.
Hamilton, Sir George (Ilford)
Hamilton, Sir R.W.(Orkney & Z'tl'nd)
Hammersley, Samuel S.
Hanbury, Cecil
Hanley, Dennis A.
Harbord, Arthur
Hartland, George A.
Heilgers, Captain F. F. A.
Henderson, Sir Vivian L. (Chelmsford)
Heneage, Lieut.-Colonel Arthur P.
Hepworth, Joseph
Herbert, Capt. S. (Abbey Division)
Hills, Major Rt. Hon. John Waller
Hope, Capt. Hon. A. O. J. (Aston)
Hore-Belisha, Leslie
Hornby, Frank
Howard, Tom Forrest
Howitt, Dr. Alfred B.
Hurd, Sir Percy
Jackson, Sir Henry (Wandsworth, C.)
Jesson, Major Thomas E.
Joel, Dudley J. Barnato
Jones, Henry Haydn (Merioneth)
Jones, Lewis (Swansea, West)
Kerr, Hamilton W.
Kirkpatrick, William M.
Knebworth, Viscount
Lamb, Sir Joseph Quinton
Leckie, J. A.
Leech, Dr. J. W.
Lennox-Boyd, A. T.
Levy, Thomas
Lewis, Oswald
Liddall, Walter S.
Lindsay, Noel Ker
Lister, Rt. Hon. Sir Philip Cunliffe-
Llewellyn-Jones, Frederick
Lloyd, Geoffrey
Locker-Lampson, Rt.Hn. G.(Wd. Gr'n)
Lovat-Fraser, James Alexander
Lumley, Captain Lawrence R.
Lyons, Abraham Montagu
Mabane, William
MacAndrew, Lieut.-Col. C. G.(Partick)
MacAndrew, Capt. J. O. (Ayr)
McCorquodale, M. S.
McEwen, Captain J. H. F.
McKeag, William
McKie, John Hamilton
Maclay, Hon. Joseph Paton
McLean, Major Sir Alan
Maitland, Adam
Mander, Geoffrey le M.
Margesson, Capt. Rt. Hon. H. D. R.
Mason, David M. (Edinburgh, E.)
Mayhew, Lieut.-Colonel John
Merriman, Sir F. Boyd
Moore-Brabazon, Lieut.-Col. J. T. C.
Morris, John Patrick (Salford, N.)
Morris, Owen Temple (Cardiff, E.)
Morrison, William Shepherd
Muirhead, Major A. J.
Munro, Patrick
Nation, Brigadier-General J. J. H.
Nicholson, Rt. Hn. W. G. (Petersf'ld)

North, Captain Edward T.
Palmer, Francis Noel
Patrick, Colin M.
Peake, Captain Osbert
Pearson, William G.
Perkins, Walter R. D.
Petherick, M.
Peto, Sir Basil E. (Devon, Barnstaple)
Peto, Geoffrey K.(W'verh'pt'n, Bilston)
Pickering, Ernest H.
Pike, Cecil F.
Pownall, Sir Assheton
Raikes, Henry V. A. M.
Ramsay, Capt. A. H. M. (Midlothian)
Ramsay, T. B. W. (Western Isles)
Ramsbotham, Herwald
Ramsden, Sir Eugene
Rankin, Robert
Rathbone, Eleanor
Rawson, Sir Cooper
Rea, Walter Russell
Reed, Arthur C. (Exeter)
Reid, William Allan (Derby)
Remer, John R.
Roberts, Aled (Wrexham)
Roberts, Sir Samuel (Ecclesall)
Robinson, John Roland
Ropner, Colonel L.
Rosbotham, Sir Samuel
Ross, Ronald D.
Ross Taylor, Walter (Woodbridge)
Runciman, Rt. Hon. Walter
Runge, Norah Cecil
Russell, Alexander West (Tynemouth)
Russell, Richard John (Eddisbury)
Rutherford, John (Edmonton)
Rutherford, Sir John Hugo (Liverp'l)
Salmon, Sir Isidore
Salt, Edward W.
Samuel, Sir Arthur Michael (F'nham)
Samuel, Rt. Hon. Sir H. (Darwen)
Sandeman, Sir A. N. Stewart
Sassoon, Rt. Hon. Sir Philip A. G. D.
Savery, Samuel Servington
Shakespeare, Geoffrey H.
Shepperson, Sir Ernest W.
Skelton, Archibald Noel
Smith, Louis W. (Sheffield, Hallam)
Smithers, Waldron
Somerville, Annesley A. (Windsor)
Sotheron-Estcourt, Captain T. E.
Spears, Brigadier-General Edward L.
Spencer, Captain Richard A.
Spender-Clay, Rt. Hon. Herbert H.
Stanley, Hon. O. F. G. (Westmorland)
Steel-Maitland, Rt. Hon. Sir Arthur
Stewart, J. H. (Fife, E.)
Storey, Samuel
Stourton, Hon. John J.
Strickland, Captain W. F.
Sueter, Rear-Admiral Murray F.
Sutcliffe, Harold
Thomas, Rt. Hon. J. H. (Derby)
Thomas, James P. L. (Hereford)
Titchfield, Major the Marquess of
Todd, A. L. S. (Kingswinford)
Touche, Gordon Cosmo
Tryon, Rt. Hon. George Clement
Vaughan-Morgan, Sir Kenyon
Wallace, Captain D. E. (Hornsey)
Wallace, John (Dunfermline)
Ward, Lt.-Col. Sir A. L. (Hull)
Wedderburn, Henry James Scrymgeour-
Wells, Sydney Richard
Weymouth, Viscount
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Wilson, G. H. A. (Cambridge U.)
Windsor-Clive, Lieut.-Colonel George
Wood, Rt. Hon. Sir H. Kingsley
Wood, Sir Murdoch McKenzie (Banff)
Young, Ernest J. (Middlesbrough, E.)

TELLERS FOR THE AYES.—Captain Austin Hudson and Commander Southby.

NOES.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Batey, Joseph
Buchanan, George
Cape, Thomas
Cocks, Frederick Seymour
Cove, William G.
Daggar, George
Davies, David L. (Pontypridd)
Dobbie, William
Edwards, Charles
George, Major G. Lloyd (Pembroke)
Greenwood, Rt. Hon. Arthur
Grenfell, David Rees (Glamorgan)
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Hicks, Ernest George
Hirst, George Henry
Jenkins, Sir William
Jones, Morgan (Caerphilly)
Kirkwood, David
Lansbury, Rt. Hon. George
Logan, David Gilbert
Lunn, William
Macdonald, Gordon (Ince)
McEntee, Valentine L.
McGovern, John
Maclean, Neil (Glasgow, Govan)
Maxton, James
Parkinson, John Allen
Price, Gabriel
Thorne, William James
Tinker, John Joseph
Wallhead, Richard C.
Williams, David (Swansea, East)
Williams, Edward John (Ogmore)
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE NOES.—
Mr. John and Mr. Groves.

MESSAGE FROM THE LORDS.

That they have agreed to,—

Ministry of Health Provisional Order (Buckingham and Oxford) Bill,
Ministry of Health Provisional Order (Leek) Bill,
Ministry of Health Provisional Order (Rugby Joint Hospital District) Bill,
Ministry of Health Provisional Order (Taunton and District Joint Hospital District) Bill, without Amendment.

CHAIRMEN'S PANEL.

Mr. William Nicholson reported from the Chairmen's Panel; That they had appointed Mr. Cape to act as Chairman of the Standing Committee A (in respect of the Assurance Companies (Winding Up) Bill [*Lords*]); Sir Samuel Roberts to act as Chairman of Standing Committee B (in respect of the Wheat Act (1932) Amendment Bill); and Sir Ian Macpherson to act as Chairman of the Standing Committee on Scottish Bills (in respect of the False Oaths (Scotland) Bill.

Report to lie upon the Table.

SELECTION (STANDING ORDERS COMMITTEE) (PANEL).

Mr. William Nicholson reported from the Committee of Selection; That they had added the following Member to the Panel to serve on Standing Orders Committees under Standing Order 98: Mr. Hirst.

Report to lie upon the Table.

SELECTION (STANDING COMMITTEES).

Standing Committee A.

Mr. William Nicholson reported from the Committee of Selection; That they had added the following Ten Members to Standing Committee A (in respect of the Assurance Companies (Winding up) Bill [*Lords*]): The Attorney-General, Dr. Burgin, Mr. Campbell-Johnston, Mr. James Duncan, Mr. Dingle Foot, Mr. Haslam, Mr. Lennox-Boyd, Mr. Meller, Mr. Milne, and Major Milner.

Standing Committee B.

Mr. William Nicholson further reported from the Committee; That they had added the following Ten Members to Standing Committee B (in respect of the Wheat Act (1932) Amendment Bill): Sir John Sandeman Allen, Lieut.-Colonel Sandeman Allen, Mr. Banfield, Mr. Brocklebank, Mr. Buchan-Hepburn, Major Elliot, Lieut.-Colonel Heneage, Major Muirhead, Mr. Ormsby-Gore, and Mr. Graham White.

Scottish Standing Committee.

Mr. William Nicholson further reported from the Committee; That they had added the following Ten Members to the Standing Committee on Scottish Bills (in respect of the False Oaths (Scotland) Bill): Mr. Buchan-Hepburn, Colonel Crookshank, Mr. Daggar, Mr. Law, Mr. McKeag, Sir Alan McLean, Mr. Munro, Mr. Ross Taylor, Lord Colum Crichton-Stuart, and Mr. Whiteside.

Reports to lie upon the Table.

WRITTEN ANSWERS.

POOR LAW RELIEF (CUMBERLAND).

Mr. CAPE asked the Minister of Health what number of people were receiving relief from the public assistance committee in the county of Cumberland in 1931 and 1932, respectively, and what was the total amount so paid in each year?

Mr. SHAKESPEARE: The average numbers of persons, including dependents, in receipt of out-relief in the year ending 31st March, 1931, were 4,968, and in the year ending 31st March, 1932, were 6,603. The cost of out-relief afforded in the administrative county of Cumberland in those two years respectively was £72,221 and £89,787.

ARGENTINE RAILWAYS (BRITISH GOODS).

Mr. LOGAN asked the President of the Board of Trade if he can give the figures showing how much of the £10,500,000 of United Kingdom exports to Argentina in 1932 represented purchases by Argentine railways operated with British capital; and will he arange to obtain in future from the British agents of those railways the necessary information on the Customs declarations when those railways are shipping to the Argentine goods and productions of the United Kingdom?

Mr. RUNCIMAN: The answer to the first part of the question is in the negative, and the suggestion in the second part would, I fear, be impracticable. I understand that the British railways operating in Argentina obtain by far the greatest part of their requirements of imported goods in the United Kingdom, and that there is no doubt that in ordinary times their purchases represent a substantial proportion of the United Kingdom exports to Argentina.

SHOP THEFTS, LONDON (PROSECUTIONS).

Mr. RHYS DAVIES asked the Home Secretary whether his attention has been called to the growing practice of withholding the names of certain London West End shops when prosecuting at the police courts for alleged thefts on their premises; and whether he will take steps to ensure that in future the name both of the accused and of the prosecutor is withheld or published in every case?

Sir J. GILMOUR: I am not aware of any such practice; on the contrary, inquiry in the police divisions where such cases mainly occur has failed to trace any instance in which the name of the shop has not been disclosed in court. It may be that the name is sometimes omitted in Press reports of the proceedings, but that is not a matter over which I have any control.

TELEPHONE SERVICE, KIELDER.

Colonel CLIFTON BROWN asked the Postmaster-General if he has considered the request for a telephone service to Kielder, Northumberland, and if he will accede to it?

Sir K. WOOD: In view of the very heavy costs which would be involved in providing the necessary circuit, I regret that I am unable to authorise a telephone call office at Kielder.

LOWDHAM GRANGE BORSTAL INSTITUTION.

Mr. HICKS asked the Home Secretary what was the approximate number of hours per day done on duty by the officer at Lowdham Grange Borstal Institution who in promotion was preferred to 47 others senior to him in service; and if the normal eight-hour day applies to the officers at Lowdham Grange?

Sir J. GILMOUR: The answer to the first part of the question is 96 hours per fortnight: the answer to the second part is in the affirmative.

SCOTLAND.

NATIONAL ENSIGN.

Mr. GUY asked the Secretary of State for Scotland whether, in view of the fact that the St. Andrew's Cross, technically described as Azure a saltire argent, is registered as the arms or badge proper and peculiar to the kingdom of Scotland and is available for general use as the national ensign and heraldic emblem of Scotland, he will issue a revised edition of Police Circular 520 of 1907 restricting the use of the lion rampant to those entitled to display it and permitting the display of the St. Andrew's Cross?

Sir G. COLLINS: With regard to the St. Andrew's Cross, there is no need for me to issue a circular permitting it to be displayed. As regards the Lion flag, I have not so far seen sufficient reason for departing from the attitude adopted by my predecessors in office since 1907.

POOR LAW RELIEF.

Mr. D. GRAHAM asked the Secretary of State for Scotland the amount of money expended by the public assistance committees in the counties of Dumbarton, Renfrew, and Lanark, including the City of Glasgow, and the burghs of Airdrie, Coatbridge, Hamilton, Motherwell and Wishaw, and Rutherglen for each year since 1929-30, giving the amount spent in each county and burgh separatley?

Sir G. COLLINS: The following statement shows the amount expended on able-bodied relief by public assistance committees in the counties of Dunbarton, Renfrew and Lanark during each of the years ended 15th May, 1930, 1931 and 1932:

Public Assistance Authority.	1930.	1931.	1932.
	£	£	£
Dunbarton County (including Clydebank and Dumbarton Burghs).	17,331	21,253	41,765
Renfrew County (including Greenock, Paisley and Port Glasgow Burghs).	77,800	36,151	48,393
Lanark County:			
County, excluding large Burghs	666,384	17,675	31,615
Airdrie Burgh		1,971	2,796
Coatbridge Burgh		1,535	2,697
Glasgow Burgh		382,780	549,046
Hamilton Burgh...		7,347	12,259
Motherwell and Wishaw Burgh		770	2,473
Rutherglen Burgh		2,943	3,958

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* In this year the parish was the administrative unit and separate figures for each burgh are not available.

UNEMPLOYMENT BENEFIT.

Mr. D. GRAHAM asked the Minister of Labour the amount of money expended on unemployment benefit in the counties of Dumbarton, Renfrew, and Lanark, including the city of Glasgow, in the years 1931 and 1932, giving the amount spent in each county separately?

Sir H. BETTERTON: The following table gives the information desired:

Amounts paid in Insurance and Transitional Benefit and Transitional Payments at Employment Exchanges in the Counties of Dumbarton, Renfrew and Lanark in the years 1931 and 1932 Corresponding figures for the amounts paid through associations are not available.

County.	1931.			1932.		
	Insurance and Transitional Benefit.	Transitional Payments.*	Total.	Insurance Benefit.	Transitional Payments.	Total.
	£	£	£	£	£	£
Dumbarton ...	626,270	38,080	664,350	263,683	435,815	699,498
Renfrew	1,151,894	79,868	1,231,762	345,063	748,705	1,093,768
Lanark (including Glasgow).	6,435,479	426,200	6,861,679	2,303,255	3,768,928	6,072,183

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* The Transitional Payments scheme came into operation on 12th November, 1931.

ORDERS OF THE DAY.

SUPPLY.

AIR ESTIMATES, 1933.

SIR PHILIP SASSOON'S STATEMENT.

Order for Committee read.

3.40 p.m.

The UNDER-SECRETARY of STATE for AIR (Sir Philip Sassoon): I beg to move, "That Mr. Speaker do now leave the Chair."

The need for economy, which left so clear a mark upon the Estimates which I had the honour to introduce into this House last year, is no less pressing to-day, and has had a similar influence upon the Estimates which are now before the House. The effort to effect savings under every head without unduly impairing efficiency, and, above all, without doing anything which might react upon the safety of flying personnel, has been unremitting. Of the success of this unremitting effort the House can judge from the figures now before them; for, as has been pointed out in my Noble Friend's Memorandum accompanying these Estimates, the apparent rise of £26,000 in the net figure to a total of £17,426,000 actually conceals an approximate further reduction of £340,000. And I would remind hon. Members that this follows on a reduction of no less than £700,000 last year, which made the achievement of additional savings in expenditure this year a singularly difficult task. They have, indeed, only been rendered possible by such drastic measures as the decision to close down for the time being one of the four flying training schools; and I venture to suggest that those responsible for the administration of the Royal Air Force deserve great credit for making an even larger contribution to the financial exigencies of the Exchequer this year than last, which, I am bound to add, they have not done without grave anxiety.

Risks have had to be taken. As the House will have observed, no new units have been formed either at home or abroad during the past year, and no provision is made for new units in the present Estimates. The Home Defence Force remains at a total of 42 Squadrons, of which 13 are non-Regular, and 10 Regular Squadrons are still required to complete the modest programme which was approved as long ago as 1923, and which is already several years overdue for completion. The decision to hold this ten-year old programme in suspense for another year is a practical proof of the wholehearted desire of His Majesty's Government to promote a successful issue of the deliberations of the Disarmament Conference. Pending the outcome of the conference, they are once again prepared to accept the continuance of the serious existing disparity between the strength of the Royal Air Force and that of the air services of the other great nations.

The House is familiar with the fact that, in terms of first-line strength, the Royal Air Force stands to-day only fifth on the list of Air Powers, although, at the end of the late War, we could with justice claim to take, not fifth, but first place, when all the factors which go to make up air strength were taken into account; for in 1918 we had a larger number of trained flying personnel and a larger total number of aircraft than any other nation. The House will also remember that, while air expenditure in this country has shown a steady decline since 1925, other nations have very largely increased their outlay on air services over the same period. The decision, therefore, again to postpone the overtaking of arrears on a modest programme which was deemed to be the minimum necessary in 1923, when the strength of other Air Powers was considerably less than it is to-day, is a gesture the importance of which will not, I hope, be overlooked.

The House will hardly expect me to review or comment at any length upon the deliberations in which the Disarmament Conference is still engaged. It is most earnestly to be hoped that they will, at the very least, result in a satisfactory agreement for the limitation and reduction of air armaments which will remove the menace of their competitive development. The air policy of this country is, and has always been, as I have pointed out on previous occasions, conspicuously moderate and unprovocative, and, as far as we are concerned, we are eager to cooperate in all practicable measures for removing the menace of which I have spoken from the realm of possibility. Nevertheless, while air forces exist, air power is as vital to our great Empire as sea power, and we cannot afford to neglect it. The House will recall the pronouncement of my right hon. Friend the Lord President, made last November, that the kind of disarmament which would leave the disparity between our air strength and the air strengths of other nations relatively as great as it is to-day does not recommend itself to His Majesty's Government.

The measures of air disarmament which we earnestly desire to see effected are such as will leave civilised countries with the minimum strength of aircraft necessary to ensure, firstly, national safety at home, and, secondly, the maintenance of law and order and the protection and development of communications in more backward territories overseas. For these latter purposes air power has finally established itself as an instrument which is at once humane, economical and incomparably effective, a fact to which all the great political officers who have had occasion to employ it over the past decade have borne unanimous and convincing testimony. The final form that these measures will take must depend upon the outcome of the Disarmament Conference, whose discussions no one will wish to prejudice by anything said in this House.

I do not think the House will expect me this year to offer any very detailed comments on the finance of the several Votes which make up these Estimates. I shall be happy to deal, to the best of my ability, with any questions hon. Members may have to raise at a later stage of this Debate. Meantime I will only offer a few words of explanation in supplement of what my Noble Friend has said in his Memorandum. Before, however, I turn to the individual Votes, I should like to make a passing acknowledgment of the labours of the Private Members' Economy Committee, and, more particularly, the Sub-Committee, which was presided over by my hon. Friend the Member for Harrow (Sir I. Salmon). I need hardly say that the Air Council have given, and will continue to give, to the recommendations of that Committee the very careful attention which they merit. I should like to say, in particular, with reference to their recommendation that there should be even closer co-ordination between the fighting Services in the obtaining of supplies, etc., that the Air Ministry has always made a very extensive use of agency services. Indeed, if I were to detail in full the various supplies which the Royal Air Force obtains through the agency of such Departments as the Admiralty, the War Office and the Office of Works, I should have to devote a substantial part of my speech to this subject.

The apparent increase in Vote 1—the Personnel Vote—is due almost wholly to a bookkeeping adjustment, namely, the disappearance of an Appropriation-in-Aid from Middle East Votes in respect of expenditure in Iraq, in future to be borne directly on Air Votes. Vote 2—Non-technical Stores, etc.—shows the largest proportionate drop of any Vote, due partly to measures of economy and partly to the ability to budget on a basis of abnormally low prices. Vote 3—Technical Equipment, etc.—shows at first sight a heavy decline of almost £150,000. This is, however, but a small percentage of the net total of the Vote, namely, £7,203,000, and the many hon. Members who follow with close interest the equipment of the force with aircraft and engines will, I do not doubt, be relieved to observe that sub-head A of the Vote —which covers the provision of aeroplanes, seaplanes, engines and spares—is only reduced by the negligible amount of £2,000. It is under other and less vital heads that the bulk of the saving has been secured.

The total of Vote 4—Works and Buildings—also shows considerable reduction, despite the provision of £30,000 for commencing work on the new station that is to be built in Iraq under the terms of the Treaty. There is a great deal of overdue rebuilding which will have to be taken in hand when financial considerations allow. On Vote 6 there is also a considerable reduction, especially in connection with the School of Technical Training at Halton, the provision for which is down by £27,000, or nearly 15 per cent. This is due to the far-reaching changes that are taking place in the manning system of the Royal Air Force. A comprehensive review is taking place of the whole personnel of the Service. The most highly skilled trades have been dealt with first, as my Noble Friend has explained in his Memorandum. Actually, the principal change that is taking place is the amalgamation of the two separate trades of fitter and rigger into a single combined trade of fitter-rigger, which is the first

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step in a new programme which, I hope, will lead to vastly improved careers for those key men and also to considerable economies in the long run. The introduction of the use of light aircraft at the civilian schools which undertake the training of reserve pilots and other measures, have resulted in a decrease of £52,000 in Vote 7. The apparent increase on Vote 9, like that on Vote 1, is due to a bookkeeping transfer from Middle East Votes. It would otherwise have shown a decline. Apart from an automatic rise in the non-effective Vote, the only Vote to show a true rise which is in proportion substantial is Vote 8, the Vote for Civil Aviation. This is due to providing for the extension of Imperial Airways existing Indian line to Australia to which I shall refer later.

Before passing to the usual review of the work of the Royal Air Force and the development of civil aviation, there is a matter of what I may perhaps term a domestic nature to which I feel sure the House would like me to make a brief reference. At the end of the present financial year the Marshal of the Royal Air Force, Sir John Salmond, relinquishes at his own request his appointment of Chief of the Air Staff, with the characteristic desire that it will help the flow of promotion throughout the Service. I need not remind the House of the very great services which this distinguished officer rendered to the Royal Air Force and to the country during the War. By his work in the difficult years since 1918, during which it has been necessary, painfully and laboriously to reorganise the whole of the Air Force anew, he has laid the Air Force still further under his debt and, indeed, has left his mark upon every aspect of its activities.

Nineteen thirty-two has been a year of consolidation rather than of innovation, but it has not been unmarked by incidents of interest and evidence of continued progress. Aviation, like everything else, has had to be ridden on the tight rein—or should I say piloted at reduced throttle?—of the prevailing financial stringency. Nevertheless, when it comes to giving the House a review of the events of the past 12 months, once again the difficulty is rather more what to leave out than what to include. The close personal touch that is maintained between those who are responsible for the higher control and direction of the Air Force and the units of which it is composed was once again evidenced by the successful tour of the air stations of the Middle East which was undertaken by the Secretary of State at the beginning of the year. Leaving Croydon on 11th January, my Noble Friend, in the course of a three week's journey, visited the Air Force units in Egypt, Transjordan, Palestine and Iraq, covering in all some 8,000 miles. At the same time, he was able to form a very good impression of the ever-increasing importance of civil aviation to those countries of wide spaces and indifferent land communications. It would seem from his experience that business men, officials and others are becoming more and more accustomed to look upon air transport as the normal means of travel to and from England and to find that they not only save a great deal of time by it but money as well. My Noble Friend was also able to bring back a first hand account of the keenness, efficiency and good morale of the Air Force units. To quote his own words on his return,

> "As soon as the boundary into Asia is passed, the Royal Air Force becomes the symbol of British power."

Early in the year there occurred in Northern Iraq one of those examples of the police work of the Royal Air Force to which my Noble Friend drew attention. The suppression of a turbulent tribal chief, secure in the savage wildness of a district where the mountains go up to some 10,000 feet and where road communications are practically non-existent, presented a very difficult problem. The local ground forces sent to dislodge him failed to reach their objective, and parties of them became cut off from their supplies and found themselves very short of food and ammunition. The Air Force was then called in to co-operate. Its first task was to succour these parties of isolated ground forces. Over 1½ tons of food were dropped in a single day by five aircraft for the relief of these isolated forces. The aircraft made repeated journeys to and fro between Mosul and the scene of operations. Two other aircraft conveyed and dropped from the air a further two tons of blankets and other supplies for the use of another marooned contingent. Proclamations calling upon the tribesmen to surrender, and giving them notice that otherwise air action would have to be taken against them, were broadcast in the vernacular from a troop carrying machine which had been fitted with a high powered loud speaker. As a matter of fact, air operations had to be undertaken later on against a few recalcitrant sections and success was ultimately achieved.

In the course of these operations there occurred an incident which admirably illustrates the coolness, adaptability and resource of the Air Force personnel. An aircraftman, who was acting as wireless operator, had the misfortune to fall through the fuselage of his machine. To say that he rose to the occasion, would be to employ a metaphor hardly applicable to the situation. Anyhow, he managed to open his parachute and landed safely. In no way unnerved by his mishap or by the fact that he had alighted in hostile territory, he betook himself at once, aided by his knowledge of the country, gained on previous service, to the nearest post occupied by the Iraq Army, and there this unpremeditated messenger from Mars took complete control of the wireless station and was able to send information as to the course of the operations which proved of great value to Air Headquarters.

A very interesting flight was that undertaken by five aircraft of No. 2 Indian Wing. These aircraft flew from Risalpur to Gilgit, a distance of some 300 miles, flying nearly the whole time at a height of over 10,000 feet and passing very close to some of the highest peaks of the Himalayas. They stayed three days at Gilgit and took the political agent and many of the local chiefs for flights. Apart from the operational and technical interest of this flight over such extremely mountainous country, its political interest and significance was considerable. Many of the areas which were visited from Gilgit had never previously been flown over by aircraft and they were inhabited by tribes who still held that aircraft were a myth. It is also interesting to observe that the journey between Risalpur and Gilgit occupied two hours and 20 minutes—a journey which would have taken 17 days march on foot.

Another operation which contains interesting and important lessons was the transport of a battalion of British infantry by air from Egypt to Iraq. The House will remember that in the course of last summer unrest arose among the Assyrian Levies in Iraq, and, as a measure of precaution, it was desired to send a small contingent of British infantry at short notice to that country. Those troops were not required to undertake active operations, but were simply to exercise a stabilising influence on, and, if necessary, to replace the Levies for the time being. Large troop-carrying aircraft from Nos. 70 and 216 Squadrons were employed to convey 562 officers and men of the 1st Northamptonshire Regiment, with all their necessary equipment over a distance of 800 miles in less than a week. The work was carried out in the height of summer under very difficult climatic conditions, and was accomplished without any untoward incident. In no other way could assistance have been brought in such strength and at such short notice. If I may quote my Noble Friend again, the sudden arrival of this battalion of British troops, as it were from the skies, impressed the Middle East as something almost superhuman, and there is no doubt that the moral effect of this example of the long arm of the British Government was very considerable. I particularly welcome, too, this episode as a very effective piece of close and cordial co-operation between the Army and the Royal Air Force undertaken to achieve a common purpose.

In addition to these activities, undertaken at short notice and for a specific purpose, the Royal Air Force has again carried out a series of long-distance flights for comparatively routine reasons, but which actually have contributed very much to the development of air communications. As these main flights are mentioned in the White Paper, I will not weary the House by recapitulating them. In all these activities the units of the Royal Air Force are performing work which, though it may primarily be inspired by military needs, is yet at the same time effecting results of a far wider and more permanent significance. They are carrying peace and order into distant lands where previously force has been the only rule, and they are opening up the way for civil transport lines of the future. The work that they are doing belongs to the same order of beneficent and creative activities as those which were once

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carried out by the road-making legionaries of the Roman Empire. Now, as then, the development of communication means the introduction of the blessings of an ordered society, and of security for life and peaceful industry in areas of the world where hitherto the life of man has been "nasty, brutish and short."

Here, if the House will allow me, I should like to say a few words about an aspect both of Service and civil aviation which, I think, is insufficiently understood. If one pauses to balance the accounts of aviation, one must readily admit that there is a big potential debit. But there is also a vast credit side, too, and that credit is growing day by day. It is not easiy to appreciate in these islands where there are ample—some might say too ample—means of communication and transport, the veritable revolution which the coming of the aeroplane has wrought in the life of those whom fortune has taken to the remote corners of the world. For example, settlers in the back-blocks of Canada and Australia have not only been brought into far closer touch with their kith and kin at home, but their daily life has been immensely eased and improved, and the amenities of civilisation brought to the very doors. To take a single illustration, countless lives of men, women and children have been saved by the provision of surgical and medical aid where otherwise accident or illness would have entailed fatal consequences.

Nor is it only civil aviation that has conferred and is increasingly conferring, such great benefits upon humanity. In my speech last year I referred to what I described as the "productive" side of the work of the Royal Air Force in those backward territories where, no doubt, its presence is necessary and essential for the maintenance of peace. It is a fact which is not generally recognised that the Royal Air Force is quietly and without advertisement taking in its stride daily a vast amount of pacific and productive work. I have just been reading reports from the overseas Commands of the flying that has been carried out there during the past year, and I confess I was amazed at the long tale of their variegated and fruitful activities. Let me give a few instances—conveyance of surgical aids to sheikhs in the deserts of Iraq and on the inhospitable shores of the Persian Gulf, carriage to remote native villages of anti-cholera and anti-typhoid vaccines, reconnaissance to give flood warnings in India and Iraq, the supply of food to famine-stricken tribes in Transjordan, mapping and survey work in Africa, Iraq, Transjordan, Burma, the Straits Settlements, Siam and elsewhere, the discovery of uncharted reefs, locust fighting, fishery protection, searching for lighters adrift in the China Sea, conveyance of political officers and civil mails to isolated British communities. These are but random samples. Moreover, it is the scale of this work that is so striking. Take the single squadron at Aden. In 1932 it flew in all some 430,000 miles; of these, about 176,000 miles—or over 40 per cent. of the squadron's whole time in the air—were flown, not on police work or patrols or active operations, but actually on such pacific and productive activities as I have described.

I pass now to the principal long-distance flight of the year, that by which a few weeks ago Squadron-Leader Gayford and Flight-Lieutenant Nicholetts secured for Great Britain the long-distance record for a non-stop flight. The successful flight of 5,340 miles from Cranwell to Walvis Bay was the direct result of careful and systematic preparation on the part of all those responsible for the construction and preparation of the machine and engine, combined with skilful piloting and navigation on the part of the two pilots. I know that the congratulations of the House will go out to all who have assisted in securing this success. As a result of this, Great Britain is now the holder of the three principal aviation records—that of speed, gained after the Schneider Contest in 1931; that of height, gained by Flight-Lieutenant Uwins, who last year flew to a height of 43,976 feet, that is to say, nearly 15,000 feet higher than the top of Mount Everest, in a Vickers "Vespa" aeroplane with a Bristol "Pegasus" engine. Now we have this record of distance. The fact that Great Britain holds these three key records is a final proof of the excellence of British design and construction, and is bound to have a very beneficial effect upon the market for British aircraft abroad. I wish here to pay a passing tribute to the skill, courage and endurance of those private individuals, both men and women—their names are household words, and I need not repeat them—who, during the course of the last 12 months, have carried out a series of successful solitary long-distance flights.

In the course of gaining the distance record, as of gaining the speed record 18 months ago, a great mass of scientific and technical data have been acquired which will be of immense value to aviation generally. Progress in scientific research and technical development goes on continuously so far as money will allow, and advances have been made in many directions during the past 12 months, in spite of the very heavy handicap imposed by the strictly limited amount of money available. I should like briefly to acknowledge the debt which all those who are interested in aeronautical aviation and aeronautical science owe to Sir Richard Glazebrook. Sir Richard has been associated with the scientific side of aviation since 1909, and ever since the first institution of the Aeronautical Research Committee, which took the place of the Advisory Commitee of Aeronautics 13 years ago, he has been its chairman, as he was of the earlier body. I regret to say that he is retiring from this office at the end of the present month. His tireless energy and his wise counsel have been of immense service to successive Secretaries of State.

The House will remember that last year it was decided, in the interest of economy, to break up the R.100 and curtail airship work to a minimum. Meanwhile a "watching brief" is being held at Cardington by a small staff who collate airship information from abroad. As a result primarily, I suppose, of economic causes, there has been a definite slowing down of airship programmes both in America and in Germany; but both countries have offered every facility to our own experts to follow what they are doing and to take part in the flights carried out by the "Akron" in the United States and the "Graf Zeppelin" in the case of Germany.

Despite the inevitable effect of the financial depression, the past year has nevertheless been a period of definite progress in civil aviation. In 1932 Imperial Airways' services connected more than 100 European cities by air with London and just over 41,500 passengers were carried by the company's aircraft in and out of Croydon, as compared with approximately 20,600 in 1931. This increase of over 100 per cent. in so difficult a year is surely a noteworthy achievement. On the Empire routes, for the six months ended September, 1932, the passenger traffic showed an increase over 1931 of more than 50 per cent. Mail loads also increased considerably during 1932, the Christmas mails surpassing all previous records. During 1932 Imperial Airways aircraft flew nearly 6,000 miles a day and during every hour of the 24 somewhere along their 12,000 miles of routes a machine was in the air carrying passengers, mails and freight. Since its inception, the company's machines have now flown 10,000,000 miles and have carried over 200,000 passengers and more than 6,000 tons of mails, parcels and freight. From the aspect of reliability, the figure for flights cancelled has fallen from 23.25 per cent. in 1924 to 2.89 per cent. in 1932.

As regards the future, the question of establishing a regular weekly air mail service between England and Australia in extension of the England-India service has been the subject of active discussion with the Commonwealth and Indian authorities during the past year. A provisional arrangement has been come to with the Government of India regarding the operation of the Indian section of the route, and, unless unforeseen difficulties occur, it is hoped that the Service will be commenced in the late summer or autumn. Meanwhile the Service to the Cape is increasing both in regularity and in popularity. It is hoped before very long to reduce materially the time taken in transit, and also to increase the facilities offered by feeder lines along the main route. So far, therefore, as concerns British commercial air transport, the year has been one of real advance and that notwithstanding such difficulties as the diversion of the Indian route between Basra and Gwadar from the Persian littoral to the Arabian side of the Persian Gulf.

I hope that I have said enough to impress the House with the extraordinary vitality displayed by civil aviation during the past year. From that the House may judge of the progress that may be expected when normal times return. Air

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transport has already become a commonplace necessity for modern life. If in 1903, the year in which Wilbur Wright made the first successful flight in an aeroplane, anyone had ventured to prophesy that within three decades a British commercial air transport company would convey 1,200 people across the Channel by air in a single week, and that many normal people would choose this method of travel by preference on the score both of comfort and convenience, what would have been said? What developments, therefore, may we not look forward to within the next generation?

The future of Service flying depends upon considerations which, as I have said, it is not for me to discuss here to-night. But I am confident I shall have the support of the House in saying that, so long as air forces exist, no Government in this country can disregard its responsibility for the air defence of our great urban populations, or do otherwise than maintain the Royal Air Force at a strength which will enable it to discharge its vital responsibilities. Overseas, an air force is essential to an Empire like ours charged with the trusteeship of territories still in the early stages of development. If it were not for the police work of the Royal Air Force and its power to maintain law and order effectively, economically and humanely, there would be widespread rapine and bloodshed over wide areas of the world's surface.

My last word is to ask the House, in justice to the great Service with which I am proud to be associated, to bear this aspect of a difficult subject constantly in mind. I have spoken already of what I venture to style the credit or constructive side of the work of the Royal Air Force. It is the more important that this should not be overlooked at a time when, for obvious reasons, there is a tendency to concentrate more on the debit or destructive side of its potential activities. The 586 men, women and children of 11 different nationalities evacuated from Kabul amid the snows of winter did not look upon the Royal Air Force as a destroyer, but as a saviour in a desperate emergency in which the other Services were, owing to the barriers of time and space, powerless to assist. The pastoral tribes of Southern Iraq, threatened with massacre at the hands of wild bands of fanatical desert tribesmen who regard it as a passport to Paradise that they should have extirpate with every circumstance of brutality all those who do not adhere to their particular extreme brand of religion, irrespective of age and sex, equally regard the Royal Air Force as their one protector, under the shadow of whose wings they can freely pursue their peaceful avocations. The same is true of the tribes of the Aden Protectorate, liberated by the Royal Air Force, after long years, from the tyranny of the troops of the Imam of the Yemen, who had wrested their lands from them by force and subjected them to slavery. This ability to bring succour to the oppressed, to protect the weak and repel the aggressor is a quality which has made a deep and abiding impression upon all those who have been privileged to see something of the activities of the Royal Air Force overseas; and I am sure that the House will understand the legitimate pride which all members of the Service take in this all-important aspect of their daily work.

4.20 p.m.

Mr. NEIL MACLEAN: Every Member who has listened to the Under-Secretary of State for Air will agree that only such an enthusiast in aviation as he could have dealt with the subject under discussion this afternoon in the manner in which he has done. He has told us, both in humorous vein and in a serious manner, of the sucecsses as well as of the difficulties of the particular Department over which he has certain control and for which he is responsible to this House. I have listened, as I am certain everyone has listened, to his statement of his stewardship with a feeling that only the individual who has mastered the particular machine with which the Department for which he is responsible is concerned could have dealt with the subject as he has done. He is himself an expert in aviation, and consequently he has shown himself to the House this afternoon as an expert in making his annual statement upon the work of the Department. While appreciating all he said with regard to the success of the Department, I feel that his closing note was not altogether in the same tone, nor did it look upon the future from the same point of view as the Lord President of the Council, in the speech which he delivered in this House on the 10th November of last year. He spoke of the policing work of the Royal Air Force in different parts of the Empire and of the world where certain tribes had been warring for some time. I am afraid it was at that point that his enthusiasm took supreme control over him, and he seemed to glory in the fact that, compelled by the terrorism which the Air Force could exercise—I am using the word terrorism in the best sense—over tribes who had never seen or known of these things before, those tribes refrained from pursuing warring methods against tribes to which they were opposed. His enthusiasm there, I think, led him into a glorification of what one might call the destructive side of the Air Force rather than the protective side.

I want to deal with the aspect which is presented to us who sit on these benches. We consider that the Air Force to-day, not merely of this country, but of all countries represents the particular terrorism with which the Under-Secretary of State for Air dealt in the closing sentences of his speech. It is not a terrorism relating to a few wild tribes in the barren wastes of Africa, Persia or any other Eastern country, but a terrorism in relation to those we look upon as civilised and consider to be our own kith and kin in this country and in the Colonies. The terrorism from the air which is used to cow certain recalcitrant tribes is the same terrorism which the Lord President of the Council expressed fear might one day be let lose upon civilisation. Therefore, we believe that that particular side of the Air Force must be placed under proper control, not national control but international control.

I think we shall all agree that, whatever our views may be with regard to aviation and its uses by the respective nations, the representatives of His Majesty's Government at Geneva have shown a considerable degree of sincerity in their suggestions to the Air Committee of the League of Nations regarding international control and the manner in which it might be brought about. Unfortunately, there seems to be too much discussion, and no policy has yet been agreed upon between the respective nations. Lord Londonderry, the Secretary of State for Air, has put forward certain tentative proposals, but nothing definite. Already, as the Under-Secretary of State for Air has said, we stand as the fifth Power, and the proposal which has been made is to reduce the air forces of the respective countries to the same strength as the Air Force of this country, and then to reduce the air forces by a further one-third. That will at least be something tangible if it can be agreed upon by different countries. It is a long step forward. I notice that the Under-Secretary of State for Air smiles. I do not know whether his Chief, or he himself, thinks that a fantastic proposal has been made by this country to the Air Committee. At least as far as we are concerned, we believe that it is a step in the right direction, just as international control would also be a step in the right direction.

I have before me a pamphlet issued by a body who look upon the future with considerable misgiving. They quote certain statements made by various people with regard to the production of poisonous gases to be dropped from aeroplanes upon the civil population in the event of a war. The booklet contains a collection of statements made by men who are high authorities in different countries in the realm of chemistry and are looked upon as experts in aviation, not only as far as our Air Force is concerned, but as far as the air forces in other parts of the world are concerned. Even the Lord President of the Council made one significant statement in his speech. It occurred to me when the Under-Secretary of State for Air was making his statement about the Air Force being a defence. The Lord President of the Council said:

> "The only defence is in offence, which means that you have to kill more women and children more quickly than the enemy if you want to save yourselves."—[OFFICIAL REPORT, 10th November, 1932; col. 632, Vol. 270.]

Those were the words addressed to this House on the 10th of November. If they were true, and the manner in which they were received by those sitting around him that evening led me to believe that they also recognised the truth of the statement, that was the possibility, that in any future wars the skies would be raining death upon the civilian populations, and the only defence that one could have would be to have a more effective Air Force than the attacking force. So

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the thing would go on. I, like the Lord President of the Council, have no desire, and I am certain that no Member of this House has any desire, to see such a possibility becoming a reality, and we can only prevent it from becoming a reality by taking steps with other Government to place this possible horror under proper control. It is madness for civilisation to leave such an infernal machine as aviation under the control of various countries who on various pretexts might declare war against another country, and thereupon send a fleet of aeroplanes to hurl death and destruction upon the people by means of explosive bombs or poison gas.

The scenes of the last war we are told were as nothing in comparison with what the next war holds in store for us. That, surely, is sufficient to make people realise the possibilities of these infernal machines that are being operated for purely warlike purposes. Our Government ought to be prepared to take a lead and point out, what the Lord President of the Council pointed out, that there is no defence from air warfare. The Earl of Halsbury in last month's Journal of the British Legion makes the significant statement that they could not merely poison the lakes and the water supplies of a country and not merely drop down terror in the form of mustard gas, but they could even drop various forms of infection from aeroplanes to disseminate deadly disease amongst the community. What a horror is being held out before us in the eventuality of another war, and I am right in hoping that Lord Londonderry and our representatives at Geneva are going to make much further progress than they have done in the past. It is not sufficient merely to say that we are producing not more than one-fifth. Let it go out very clearly and definitely that any nation which is going to make use of the air service for war purposes against another nation will be declared an outlaw against civilisation.

Mr. HARTLAND: Like Japan.

Mr. MACLEAN: Like Japan. I would remind the hon. Member that if he had been in this House in 1921 and had assisted me in endeavouring to get the Government of that day to take the steps that I thought it was necessary to take against Japan, Japan would not have been carrying on warfare against China to-day. I would ask the Lord President of the Council as well as the Under-Secretary for Air if they are prepared to inform the House of any definite steps that they are likely to take as a Government in submitting proposals to the League of Nations that would limit the use of aeroplanes. International control is one thing. Using the Air Force as an international police could quite easily be done. There is no frontier now of any nation. Formerly we knew when a country was being invaded when a fleet visited its shores, if it had a coast line, or when an army invaded it by crossing the frontier that divided it from another country. But that is not the case to-day. Even in civil aviation we recognise no frontiers. In our flights to India we pass over countries, without let or hindrance, with no objection being taken. There is no frontier when it comes to war so far as aviation is concerned.

Those who have been making statements regarding the prospects of future warfare have pointed out how quickly we have made progress in aviation. That is something to glory at so long as the Air Force is kept for a proper purpose. Reference has been made to the speed at which aeroplanes can travel now. We are told that Paris could be bombed from London within two or three hours and that London could be bombed from Paris in the same time. A declaration of war would not mean the massing of troops. It would not mean bringing troops into various quarters. The very moment that war was declared, fleets of aeroplanes would leave to go to the country against which war had been declared.

Mr. PIKE: Let us have some.

Mr. MACLEAN: I have no doubt the hon. Member could have enough if he cared to go out to the regions which the Under-Secretary has described, where he has told us what the Air Force is doing. If the hon. Member glories in that sort of thing he had better preach it to his constituents.

Mr. PIKE: I do not glory in being left without them.

Mr. MACLEAN: The hon. Member does not glory in being left without them. I am not glorying in being left without them, but I am asking for a proposal to be put forward by the Government in order to stop the possibility of the Air Force being used for the ill purposes which I have described, and I hope I have the hon. Member's support in that. I am using the arguments put forward by the Lord President of the Council and the Under-Secretary of State. I have no desire, and I am certain that the hon. Member has just as little desire as I have, of seeing any of the possibilities that have been described by various writers and even by speakers in this House of what is likely to happen should there be another war. Civil aviation is one thing, but aviation for warlike purposes is another thing. Aviation for policing and for protecting where protection is necessary is a different thing. For the latter purposes aviation could be legitimately used and civil aviation could be used for commercial purposes, but warlike purposes ought to be made illegal, and nations using an Air Force for such purposes ought to be outlawed. The Secretary of State for Air and the Under-Secretary, together with the Lord President of the Council, whose speech created such an impression last November when he drew so horrible a picture of the possibilities of a future war, particularly from the air, ought to use their best endeavours to prevent anything happening in the future such as we had on a small scale during the last war.

There are one or two points in the Estimates which I should like to put to the Under-Secretary. On page 49, under the heading "Mechanical and other Transport," there is an item of £80,000 for marine craft. Can the Under-Secretary explain that item? I understand that certain motor boats have been built for the Air Service. I should like to be told the purpose for which these motor boats were built, how many were built, and what was their cost. Were any tenders invited from competing firms on the Government list for the building of these motor boats, or was the order handed out to some particular firm who were asked to go ahead with a design submitted to them by the Air Ministry? I should like to know what is the method of promotion in the Air Service. Is it democratic? Can a man rise from the lowest grade in which he enlists and become Marshal of the Service, with a Marshal's baton? Is that the method of promotion? I should like to know also whether in the messing arrangements the officer can live upon his pay or whether he requires private means to meet the expenses of his rank. These are matters upon which information is required.

There is also a point that was made in regard to the skeleton staff that is still maintained at Cardington. Is there any intention, when times become better and finance is a bit easier, to embark again on the building of an airship such as the one which has been broken up and the one in which the lamentable accident occurred a year or two ago? As to the new works that are being taken in hand, I understood the Under-Secretary to state that certain places were being built or were being arranged as defence stations in this country. I do not know whether I misunderstood him, but in view of the statement of the Lord President of the Council that there is no such thing as defence in air warfare, I should imagine that any defence stations set up are calculated to be of no use whatever, and that, therefore, they would be a waste of money.

As regards civil aviation, a sum is being given as a subsidy to light aeroplane clubs. The sum this year is an increase over last year of some £7,000. I should like to ask how many aeroplane clubs there are, what particular purpose they serve, what conditions they have to observe in order to obtain the subsidy, and whether they are under any obligation to the Air Service and the Government to be called upon in the case of, say, industrial disputes or in any conflict that might arise among civilians in the country, whether that is part of the obligations to be observed by these light aeroplane clubs in order to qualify for the subsidies which are being paid them by the Government. I would suggest that in this matter as in other matters some explanations are required.

I would also suggest that the Under-Secretary, his chief, Lord Londonderry, and the Government should press forward as strenuously as they can with the idea of internationalising the air forces of the world as rapidly as possible, of endeavouring to overcome the difficulties that may be put in their way by the representatives of other nations, of trying to meet those difficulties and getting

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them removed, and of getting differences adjusted by putting forward a well-thought-out plan for international control of aviation in order to prevent the possibility of any of those things happening that were described in such vivid language by the Lord President of the Council. His appeal was that the youth of the country and of the world alone could save the world, because it was they who would be required to fight in the next war. His speech closed on that note and with that appeal. Therefore, we who are the old men, as he described us, wish the youth of the country and of the world to realise their possibilities and their responsibilities, and we want to place upon them the onus of any future war and to let them know that they must take part in it and face the horrors. If those horrors were brought home to them, the youth of the world would rise and tell the old men who are in the Government of the country to get on with the work of making peace, so that the youth of the world would not be required to risk their lives in cleaning up the mess left by the older men.

4.49 p.m.

Mr. CHURCHILL: I should like to begin by congratulating my right hon. Friend the Under-Secretary of State upon his extremely, lucid, interesting, and agreeably delivered statement on behalf of his Department. We all heard it with the greatest interest, and everyone knows how absolutely wrapped up in the work of the Flying Service the right hon. Gentleman is. But I think that if our discussion this afternoon was confined solely to the topics upon which he thought it prudent to dwell, if, for instance, we were to go away, as we might easily go, with the idea that the Air Force exists to fight locusts and that it never drops anything but blankets, we should undoubtedly entertain incomplete impressions of some of the issues which are brought before the House when the Air Estimates for the year are introduced.

I think this is the time when we may, without injury or risk, discuss generally these questions of the defensive services. I am not one of those who consider that the state of Europe at the present time is in any real degree comparable with the state of Europe in 1914. Although there is the greatest unrest, and hatreds are as rife as ever, yet I am bound to express my view—I may be wrong—that I feel that there is not the same explosive and catastrophic atmosphere as existed in 1914; and, therefore, I think we may discuss in cool blood and with calm hearts, or at any rate in tranquil circumstances, some of the technical issues which are raised by this Vote.

I must follow the hon. Gentleman who represented the Labour party in turning especially to the speech, the memorable speech, which was delivered by the Lord President of the Council a few months ago. But for that speech, I would not have troubled the House this afternoon. I agree with what I imagine were the feelings of the Lord President when he wished that neither aeroplanes nor submarines had ever been invented. I am sure they have both been deeply detrimental to the special interests and security of this island; and I agree also with his general theme that the air power may either end war or end civilisation. But where I think we are bound to examine carefully the speech of the Lord President is in the feeling it aroused that he caused alarm without giving guidance.

My right hon. Friend—I know he has an engagement of great public importance—swept away many important things in that half-hour. He did not believe there was never to be another Great War; he thought wars would come again some day, but he hoped they would not come in our time, as we all hope. He had apparently no real faith in the sanctity of agreements, such as the Kellogg Pact, neither had he any faith in the means of defence which are open to civilised communities when confronted with dangers which they cannot avoid. He led us up to a conclusion which was no conclusion. We were greatly concerned, and yet we were afforded no solace, no solution. So far as my right hon. Friend made an appeal to youth, it was very difficult to see what was the moral which he inculcated, and as far as I can understand, reading in the current publications, his appeal to youth has been widely misinterpreted in some of our leading universities.

But there is a certain helplessness and hopelessness which was spread about by the speech of the Lord President of the Council from which I hope the House will endeavour to shake itself free. There is the same kind of helplessness and hopelessness about dealing with this air problem as there is about dealing with the unemployment problem, or the currency question, or the question of economy. All the evils are portrayed, and vividly portrayed, and the most admirable sentiments are expressed, but as for a practical course of action, a solid foothold on which we can tread step by step, there is in this great sphere and in other spheres of Government activity a gap, a hiatus, a sense that there is no message from the lips of the prophet. There is no use gaping vacuously on the problems of the air or on the military problems with which they confront us. Still less is there any use in indulging in pretence in any form. The spokesman for the Labour party, in a speech which certainly presented, in its full coherence, a definite point of view, spoke with great satisfaction of the proposals which the Government have been making at Geneva. The air forces of the world are all to be reduced to our level, and then we are all to take another step down to the extent of 33⅓ per cent. I gather that that is the proposal.

Mr. MACLEAN: I am not satisfied with that.

Mr. CHURCHILL: Not satisfied, but as an instalment, as a move in the right direction, it gained the approval of the hon. Gentleman. Well, but is there any reality at all in a proposal of that kind? I mean, we must not allow our insular pride to blind us to the fact that some of these foreigners are quite intelligent, that they have an extraordinary knack, on occasions, of rising fully up to the level of British comprehension. Of course, if all the air forces of the world were to be reduced to our level, as we are only fifth in the gamut, or list, that would be a very great enhancement of our ratio of military strength; and they are bound to notice that. So I could not help feeling that the proposals which were made—I only take this one point as an illustration—would sound very well while they were being unfolded, would give great gratification to the League of Nations Union, who, poor things, have to content themselves with so little. They would give the same kind of warm, sentimental, generous feeling that we were doing a great, wise, fundamental, eternal thing that the recent arms embargo announcement gave to so wide a circle. But I do not suppose that there would have been anyone more surprised than the Under-Secretary of State or his Chief if, when they had made these spacious suggestions at Geneva, all the Powers had suddenly risen and, with loud acclamations, said, "We accept them." I am sure that even my right hon. Friend would have been at any rate momentarily disconcerted. In fact, there was no chance of these proposals being accepted, not the faintest chance, and no one knew it better than His Majesty's Government when they made them.

I do not think we ought to go far in dealing in humbug. There are good people in this country who care about Disarmament. In many ways I think they are wrong, but I do not see why they should be tricked. I think they should have the plain truth told them, and if they disagree they have their constitutional remedy. It is no kindness to this country to go on stirring up and paying all this lip service in the region of unrealities, and getting a cheap cheer because you have said something which has not ruffled anyone, and then meanwhile doing the opposite, meanwhile proceeding on entirely pre-War lines, as all the nations of Europe are proceeding today in all the practical arrangements which they are making.

Another reason why it does not seem to me that these proposals had any chance of being accepted is their effect upon France. Take the position of France. If we were to reduce their Air Force to the level of ours, that is to say, if we are to reduce it by one-third or perhaps two-fifths, if we were to halve their Air Force and then we were to go hand-in-hand and take one-third off what was left, and meanwhile German aviation, whatever it is worth, remained constant, can anyone suppose that a proposal like that in the present state of Europe, and in the present mood of Germany—there are things happening there which cause even her greatest well-wishers the most extreme anxiety——

HON. MEMBERS: Are you one of them?

Mr. CHURCHILL: I am not one of them, no, I am not; but still I would gladly see Germany advance along the line which seemed so hopeful in the days of Locarno. As I say, in the present

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temper of Europe, can you ever expect that France would halve her Air Force and then reduce the residue by one-third? Would you advise her to do so? If she took your advice and did it, and then trouble occurred, would you commit this country to stand by her side and make good the injury? If we proceed to argue on lines which have no connection with reality, we shall get into very great trouble. You talk of secret diplomacy, but let me tell you that there is a worse kind of secret diplomacy, and it is the diplomacy which spreads out hope and soothing syrup for the good, while all the time winks are exchanged between the people who know actually what is going on. That is a far worse situation. I am as a fact a member of the League of Nations Union. If I were one of their leading authorities I would be far more irritated with people who deceive me than with persons who, supposed to be lost souls, stated the blunt truth, because unless the people know the truth one day they are going to have a very surprising awakening.

I do not think that these proposals which have been made by the Government at Geneva are likely to be accepted, and I do not think there is any single man in any part of the House who thinks, or who has ever thought, that they had the slightest chance of being accepted. So that part of the conclusions which would follow from the speech of the Lord President of the Council has dropped out. You are not going to get international agreement which will completely obviate the necessity of having your defence or which will remove these appalling dangers which have been so freely stated. Let me say that I am most anxious that in anything that is said to France at Geneva upon air armaments or upon military armaments we should do nothing which exposes us to the French retort, "Very well; then you are involved with us." I would far rather have larger Estimates and be absolutely free and independent to choose our own course than become involved in this Continental scene by a well-meant desire to persuade them all to give up arms. There is terrible danger there.

I read in the newspapers to-day that the Prime Minister has been giving an ultimatum or making a strong appeal to France to disarm. Whether you deal with the Army or the Air, you are taking an altogether undue responsibility at a time like this in tendering such advice to a friendly nation. No, I hope and trust that the French will look after their own safety, and that we shall be permitted to live our life in our island without being again drawn into the perils of the Continent of Europe. But I want to say that if we wish to detach ourselves, if we wish to lead a life of independence from European entanglements, we have to be strong enough to defend our neutrality. We are not going to preserve neutrality if we have no technical equipment. That reason might again be urged if we were discussing Navy Votes. I am strongly of opinion that we require to strengthen our armaments by air and upon the seas in order to make sure that we are still judges of our own fortunes, our own destinies and our own action.

I now come to the technical issue which was raised by the speech of the Lord President of the Council—a famous speech, I must say, because how many speeches we make in this House and how few are remembered a week after, but here months ago my right hon. Friend made his speech and I am sure that in this Air Debate it is the dominant theme. The right hon. Gentleman was dealing with the bombing of open towns and the murdering of women and children as an orthodox and legitimate means of civilised war. I cannot follow him in two respects. First of all, he assumes that it would certainly be done. Secondly, he assumes that there is no remedy. I do not think that either of those impressions is a true impression which should guide public thought upon these matters. The right hon. Gentleman said, with very great truth, that the only defence is offence. That is the soundest of all military maxims. But, as can be seen from the context of the phrase which was read out just now by the hon. Gentleman opposite, my right hon. Friend had been led to believe that the only method of offence by which you could defend your own civil population from being murdered was to murder some of the civil population on the other side. But that is nonsense. The true offence would be entirely different.

In a war between two States with equal air forces it would not pay—I put it no higher; I leave out morality, humanity and the public law of Europe and leave out any success you may obtain from forbidding such methods as the destruction of civilian life—it would not pay, from the military point of view, from the point of view of the self-preservation of the parties engaged in the war, it would not pay any Power engaged in an equal fight, with air forces equal on both sides, to waste its strength upon non-combatants and open towns. To use an expression which I have heard, they could not afford to waste their bombs on mere women and children. Essentially a struggle of this kind, which I pray as much as any man we shall never live to see and which I am resolved to do my utmost to avert, any struggle of this kind would essentially resolve itself into a combat between the two air forces. If all of a sudden two Powers, A and B, with equal forces, went to war, and one threw its bombs upon cities so as to kill as many women and children as possible, and the other threw its bombs on aerodromes and air bases and factories and arsenals and dockyards and railway focal points of the other side, can anyone doubt that next morning he would find that the one who had committed the greatest crime would not be the one who had reaped the greatest advantage?

Mr. MACLEAN: What do you mean by that?

Mr. CHURCHILL: What I mean is that this horrible, senseless, brutal method of warfare, which we are told is the first military step that would be taken, the killing of women and children, would not be comparable, as a military measure, with an attack upon the technical centres and air bases of an enemy Power.

Mr. GODFREY NICHOLSON: What about the moral effect on the people?

Mr. CHURCHILL: The moral effect would be far greater if it were found the next day that the hostile air forces were incapable of flying at all. That would have not only a moral effect, but a physical effect of very remarkable strength. But I must say this: While in the first instance in any conflict the air forces would fight and would not be able, if equally matched, to look elsewhere, yet once one side was decidedly beaten this process of torturing the civil population by killing the women and children might well be used in order to extort abject surrender and subjugation from the Power whose air defence had been broken down. That is true. Anyone can see that that might be applied. If there were any Power in the world to which it might not be applied perhaps it would be our island, because so much easier methods would be open for reducing us to submission. If we were completely defenceless in the air, if we were reduced to a condition where we could not deal with this form of warfare, I doubt very much whether the victorious Power would be well advised to come and kill the women and children. I should have thought that by intercepting all the trade passing through the narrow seas and on the approaches to this island, they could employ the weapon of starvation which would probably lead to a peace on terms which they thought were desirable.

Therefore, it seems to me that the possession of an adequate air force is almost a complete protection for the civilian population, not indeed against injury and annoyance but against destruction such as was portrayed by the Lord President of the Council, and that, after all,, is what we have to think of first. I cannot understand why His Majesty's Government and the representatives of the Air Ministry do not inculcate these truths, for truths they are, actual truths—to quote a disagreeable word that I have recently learned—as widely as they possibly can. The only defence is an adequate air force, and the possession of an adequate air force will relieve the civil population from this danger until that air force is victorious or is beaten. If it is victorious then the danger is removed for a long period. Therefore, I do not think that we should be led by the Lord President into supposing that no means of safety are open to a vigorous, valiant race. There is a means of safety open. While I would not abandon every hope of international agreement, I would not base the life of this country upon it in their present stage, but to cut us off from that, on the one hand, and to suggest that no remedy is in our hands in the region of force, on the other, is to expose us to a gloomy vision.

Not to have an adequate air force in the present state of the world is to compromise the foundations of national free-

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dom and independence. It is all very well to suppose that we are masters of our own actions in this country and that this House can assemble and vote as to whether it wishes to go to war or not. If you desire to keep that privilege, which I trust we shall never lose, it is indispensable that you should have armaments in this island which will enable you to carry on your life without regard to external pressure. I regretted very much to hear the Under-Secretary say that we were only the fifth air Power. I regretted very much to hear him say that the 10-year programme was suspended for another year. I was sorry to hear him boast that they had not laid down a single new unit this year. All these ideas are being increasingly stultified by the march of events, and we should be well advised to concentrate upon our air defences with greater vigour. Certainly it looks curious that while our Army and Navy have been increased in expenditure this year, I have no doubt absolutely necessarily, because we had disarmed far below what is reasonable, the Air Force, which is the most fit of all, should be the one to be subjected not to an increase but to an actual reduction.

Above all, we must not be led by the Lord President into this helpless, hopeless movement. Our island is surrounded by the sea, it always has been, and, although the House may not realise it, the sea was in early times a great disadvantage because an invader could come across the sea and no one knew where he would land; very often he did not know himself. On the continent the lines of advance are fixed by the mountain passes, the roads, and the fertile plains and rivers. We were under a great disadvantage 1,000 years ago in being surrounded by the sea, and we suffered terribly from it. But we did not give up; we did not evacuate the island and say that we must live on the mainland. Not at all. We conquered the sea; we became the mistress of the sea, and the very element which had given the invader access to the heart of our country, to our hearths and homes, became its greatest protection, became indeed the bridge not the gulf which united us to the most distant parts of our Empire throughout the world. Now there is the air. The sea perhaps is no longer complete security for our island development; it must be the air too.

Why should we fear the air? We have as good technical knowledge as any country. There is no reason to suppose that we cannot make machines as good as any country. We have, it may be thought conceited to say so, a particular vein of talent in air piloting which is in advance of that possessed by other countries. Perhaps we have greater numbers who would be capable of making the best pilots, certainly it was most cheering to hear the Under-Secretary tell us of the speed records held by this country, the high-speed records and the long-distance records. At any rate, I do not think I am putting it too high when I say that there is not the slightest reason to suppose that we are not capable of producing as good results for money put into aviation as any other country. That being so, I ask the Government to consider profoundly and urgently the whole position of our air defence. I am not going to commit myself, without an opportunity of examining all the technical and financial details, to any particular standard, but this I say, that, in view of the significance which this subject has at the present time, in view of the state of the world, and in view of the speech of the Lord President of the Council, it is absolutely indispensable that the necessary programme of air development should be carried out and that our defences in this matter should be adequate to our needs.

5.22 p.m.

Mr. MANDER: It is not often that I find myself in agreement with my fellow member of the League of Nations Union, but I entirely agree with his description of the policy of the Government for a reduction in air power as being utterly impracticable, and in the nature of humbug, because it is inconceivable that any foreign country would agree to it for a moment, or that those who put it forward on behalf of this country seriously believed that they would do so. But the right hon. Member for Epping (Mr. Churchill) stopped short in his description of the policy of His Majesty's Government. The policy of the Government goes a great deal further than anything of that kind. The Government have made it clear that, provided a suitable scheme of international control of civil aviation can be devised, they are prepared for the abolition of military and naval air forces altogether; and I most heartily and warmly congratulate the Government on that policy. I hope they will press it firmly and energetically, not in a rather hesitating and half-hearted way, pointing out the obstacles and difficulties but concentrating on the necessity for something of the kind being done.

My regret is that this policy was not put forward 12 months ago when it might have had a decisive effect on the success of the Disarmament Conference, which now looks like coming to an end in chaos and failure. I hope the Government will pluck up their courage and, realising that success on these lines is the only thing which can prevent the rearming of Germany and a fresh race in armaments, ending in another war, will in the next few years and months—an adjournment may be necessary in view of the unsettled state of Germany after the present revolution—concentrate all their energies on devising a practical scheme of international control, thereby making possible the abolition of air forces altogether. There are various ways of carrying that out, but I am not going into them to-day. You might for example have an international register of aircraft in every country, which might be open to an international inspectorate and in that way some safeguard could be provided against its misuse for other purposes.

In introducing the Estimates the Under-Secretary of State, for some reason, did not refer to the ultimate policy of the Government. He spoke of a reduction and limitation of the Air Force. I do not know why he did not use the word "abolition," because abolition undoubtedly is the policy of His Majesty's Government at the present time. The right hon. Member for Epping has referred to the necessity at all costs of keeping out of any conflict which may arise on the continent. He appeared to overlook the fact that there is in existence the Treaty of Locarno and, however, much the Foreign Secretary or the right hon. Member for Epping may desire that we should remain isolated we simply cannot do so under certain circumstances if we are to honour, as I presume we are, the pledges we gave when the Covenant and the Treaty of Locarno were signed. Who knows on what day of the week we may learn that the Treaty of Locarno has come into force and that we are called upon to play our part according to the promises we have made.

On the question of international control of civil aviation, there is no sphere of human activity which is more suitable for treatment of this kind. You are quickly over the border of any particular country, and we know the difficulties which exist by the objections raised by Persia and Italy in connection with the programme of Imperial Airways. Nothing would do more to develop the future of civil aviation throughout the world than a sound and practical scheme of international control, which need not interfere with national development on national lines. When travelling abroad I prefer to travel in a British machine, because they are safer and sounder and better piloted.

Rear-Admiral SUETER: Will the hon. Member tell us what he has in mind when he talks about international control?

Mr. MANDER: There are various methods of controlling international aviation, but I do not propose to go into them in detail on this occasion although I shall be glad to discuss it with the hon. and gallant Member. There is the possibility of making an international register of aeroplanes, which could be inspected by an international staff, and in that way you would get a safeguard against an abuse for military purposes. The question is an extremely interesting one and might form the subject of a Debate to which I should be glad to make my contribution on some other occasion. There are some questions of detail which I wish to put to the Under-Secretary. First, what is the policy of the Government with regard to the development of aerodromes? I hope that he will be able to indicate that the Government are anxious to do all they can to encourage local authorities to acquire land for aerodrome purposes, and that they will make representations to the Ministry of Health or whatever Government Department is concerned so that the necessary loans for that purpose may be obtained.

I would also ask him when replying to make some reference to the conditions of the Royal Air Force in Iraq. Up to the

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present they have been responsible for law and order both inside and outside that territory. In future they will be responsible only for outside and not for internal order. Obviously there is going to be enormous difficulty and danger if some internal disorder occurred for which we had no responsibility, and we were called upon to assist the local government in putting it down. I understand that the intention and the ruling is that we must not interfere and the Royal Air Force must not be used for order inside Iraq. Perhaps the Under-Secretary will tell us if this is so, and what steps are being taken to ensure that this rule can in all circumstances be observed.

I hope that the Government will persevere with their policy of the abolition of air forces, but it is impossible to overlook the fact that they may fail and that the Disarmament Conference may come to no such conclusion. If we are driven back upon reliance on our own forces in this and other countries it becomes necessary to ask seriously what is our position. It has been said that we are the fifth air Power of the present time. I understand that during the whole of the Great War with the 41 machines available at that time in Germany, only 300 tons were dropped in this country and 1,880 people killed. I believe that at the present time one country alone—not likely, I hope, to be an enemy—namely France, can with her friends mobilise 4,000 machines which could drop in one day as much as or considerably more than the amount dropped in this country throughout the whole of the War. The striking force of aircraft has been increased three thousandfold since that time. I hope and believe that the inevitable horror of war in the air will be such as to make all countries decide that they are not going to tolerate it. My right hon. Friend the Member for Epping said that you would not get this indiscriminate bombing of women and children. I venture to say that you will. Whatever rules and regulations are made the air force of a country will do all it can to break the nerve and resistance and cause a profound psychological effect upon the enemy country and not only the armed forces, but men, women and children will be brought in inevitably. I think it is desirable to recognise that, because I think it will mean that people will not tolerate it or allow it to continue. It is not desirable to attempt to carry out what is essentially an ungentlemanly performance, namely, war according to gentlemanly rules.

I desire to direct attention to the great economies which could be produced in the defence services, amounting to many millions a year, if for certain purposes the Royal Air Force were made more use of in doing what is now being done particularly by the Army and to a certain extent by the Navy. The economy and success which have attended its efforts far afield in the Empire are well known, but I venture briefly to recapitulate certain examples. In 1925 four tribes in Waziristan had been creating trouble for a long time. The task of dealing with them was handed over to the Royal Air Force alone, and in seven weeks they brought the trouble to an end. The casualties were under 100. That was done by bombing villages, dispersing cattle and placing a constant strain on all the inhabitants of that area, and the local warriors were so disgusted with this one-sided method of warfare out of which they got no kick at all that they decided to surrender. The whole cost of the operation was about £100,000. In the previous four years the Army had been attempting to do the same work and had spent £18,000,000. That operation of the Royal Air Force was not only successful momentarily, but had a lasting effect, and it was found that we had not only an effective Imperial Police, but a very effective Imperial fire brigade also. In 1927, in the Mohmand country near the Khyber, a *jehad* was proclaimed against the British by a local Mullah. Three squadrons of the Royal Air Force from Peshawar brought the trouble to an end in three days, whereas in 1908 a similar task had to be undertaken by 17,000 men of the Army with a large cost in men and money.

Iraq, however, is the outstanding case. I am not referring to the time of the rebellion just after the War when the cost was extremely heavy but the period of settlement after that. The War Office estimated that it would cost annually £7,000,000 to £8,000,000. The Royal Air Force has been carrying out the task during the last few years at a cost of £1,500,000 annually. The last case is that of Aden where there was trouble for a number of years in the territory of the

Imam of the Yemen. It became so serious that the opinion of the War Office was asked. They said that the services of a division would be required and that it would cost £6,000,000 to £10,000,000. The task was handed over to the Royal Air Force and one squadron in one month brought the whole thing to an end at a cost of £8,500.

These are examples showing that for certain purposes the Air Force has an immense superiority as regards time, efficiency and cost over the more old-fashioned method which, until the use of the air was discovered, had to be employed. In view of the tremendous natural opposition of vested interests and the resistance to new ideas which the Royal Air Force has had to meet, they have done extraordinarily well and their work on the lines I have suggested deserves to be encouraged. Take home defence for instance. There is difficulty in obtaining the necessary recruits for the Territorial Army. Surely the Royal Air Force would be in an extraordinarily effective position to protect the shores of this country against invasion? They would be able to look far afield, to see the approaching transports and to bomb them and if by any chance the transports were to reach here and foreign troops were landed upon our shores, the Air Force would have no difficulty in making short work of those who had landed and would deal with them, certainly, in a way not inferior to anything which the Army could do. I do not suggest that you would not want ground forces but I believe that you would want them on a much smaller scale and that the total cost would be less if you entrusted the task I have suggested to this new arm.

In all I say I am, of course, assuming what I hope will not prove true, namely, the failure of the Government's plan for the abolition of air forces altogether. I am simply suggesting an alternative but I infinitely prefer the other course and I do not want to be misunderstood but so long as an Air Force exists in this country and other countries I naturally desire that ours should be, as it is to-day, the most efficient of the lot. Whether aviation in this country is developed upon military lines or as, I hope, upon civilian lines, I am sure that British pilots will continue to do as they have done up to the present and lead the world in this wonderful, new sphere of human development in which one is always on active service and in which the highest qualities of mind and brain are called upon at every moment.

5.40 p.m.

Mr. HANLEY: In rising to address the House for the first time I hope that it will extend to me that indulgence which it so regularly gives to new Members on these very trying occasions. We have heard from the Under-Secretary how the Royal Air Force has "blazed the trail" of commercial aviation to the Cape and Singapore. We have heard how it has carried out survey work and helped district officers in controlling their areas. We have heard also about the air control of the Middle East. On that point I am in disagreement with the hon. Member for East Wolverhampton (Mr. Mander) and certain other hon. Members who urge greater substitution. One has to bear in mind that substitution is only possible in those cases where you have a primitive population scattered over a large tract of country. I do not believe that it is practicable where you have populations concentrated in small areas. Although we have an air line, an all-red route, running out to Singapore which possibly in the near future will be extended to Australia, there remains one development which I hope will be realised and that is an air line to Canada. I feel rather nervous about one point in our existing all-red route and that is as to the first halt between this country and Malta. I feel that in certain eventualities there is the possibility of that communication being cut, leaving a big gap between here and Malta. I am not an expert—nor am I a disarmament crank—but I am told by experts that that is a difficulty. I suggest that we might have experimental flights from this country to Gibraltar. I understand that Gibraltar is not very suitable for this purpose, but that is the only way, as far as I can see from the map, in which we could ensure an all-red route to the East. Experimental flights might also be undertaken between Gibraltar and Malta. These of course would have to be done by flying boats.

One point which I notice as a layman is the lack of development in amphibian aircraft. Looking at it from a common-sense point of view I feel that there might be greater use made of amphibian

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aircraft. I expect that hon. Members who are pilots will rise after I have concluded to point out the difficulties involved in the question of weight. Perhaps I am looking too far ahead, but some years ago it was not thought possible to make an aeroplane engine of 500 horse power of any weight less than 500 lbs. There is no knowing what will be possible in a few years' time and there is a great future in the development of these amphibian flying boats. There might be for instance some possibility in various areas of making landing grounds situated near water. Thus if it were too rough on that water to alight you could bring such a machine down on the land, and when it was refueled it could be hauled down some light railway into the water, where it could have a better take-off next day in calm weather with its full load of petrol and passengers. That is a small suggestion which I hope may be slightly constructive.

Turning to the question of air defence, a lot has been said about bombing, and I think that everybody must own to the fact that they are frightened at the word "bomb." After all, a bomb is only a shell dropped from an aeroplane, and we must realise it as such. We have also to face up to the very hard fact that all these commercial aeroplanes of the larger type are potential bombers. You can either convert them in a few minutes or take them up and throw the bombs out, as was done in the early days of the War. Therefore one has to count in one's armed forces the commercial aircraft of the larger type. We cannot now abolish all aircraft; that is quite clear. Therefore, if we merely abolished the military aircraft, I venture to state there would be a parallel case if we abolished the Navy and left the Mercantile Marine. That would merely mean that the country with the biggest Mercantile Marine would have the lead. If we abolish military aircraft, civil aviation will still be left, and the lead will be taken by the country with the largest number of machines. By improving military aircraft, one aeroplane against the other for the needs of the various countries, it should be possible to maintain a state of equilibrium.

Some hon. Members and people outside the House have suggested that our policy for economic reasons should be to keep the Air Force low in numbers but high in efficiency. That is a certain safeguard against the larger numbers of less efficient aircraft possessed by other nations. I am not easy about that, and I think that it is a question of numbers—an aeroplane for an aeroplane, a flying boat for a flying boat. We have gone into the Disarmament Conference and we have said: "If you will reduce to our level, we can all come down by one-third." We have offered that and have given a lead, just in the same way as we gave a lead the other day on the arms embargo. That was not acceptable, so we had to take off our embargo. We hope that the other nations will agree to this. It was hinted by the right hon. Gentleman the Member for Epping (Mr. Churchill) that he did not think there was much chance of it. Therefore, I suggest that we should try something else. It might be possible for the Government to devise some scheme to get a certain amount of international agreement on the question of the definite allocation of what one may call civil areas. They would take areas of large cities which are not in any way occupied by military works and these would be isolated and by international agreement would not be bombed. Thus the civilian population would be protected. It is true that such an agreement might be a scrap of paper, like some other agreements, but we might start by getting some agreement on those lines. I have tried during my few remarks as a new Member to throw out some ideas to act as a target for those Members who are interested in aviation, and I trust that if I have succeeded in doing that I have not failed in my duty as a new Member, but I urge the Government, as they approach the ideal of disarmament, to see that their feet are firmly planted on each stepping stone lest they fall into the treacherous torrent that lies between us and eternal peace.

5.50 p.m.

Lord APSLEY: The hon. Member for Deptford (Mr. Hanley) made a speech to which the House listened with great interest. He made one point which I think the hon. Member for East Wolverhampton (Mr. Mander) missed, and it was important. It was that those who are suffering from nightmares about bombing in future wars must remember that the bogy-man of these nightmares is the civil aircraft—the big freighters and the big liners. These are machines which we must all produce and which we are bound to produce if transport by air is to continue, as it must. They are the machines which count. No matter what inspectorate we may have, no matter what rules and regulations we may produce, if any nation were to enter into a state of war, within a very few hours these aircraft could be converted into bombers which could drop high explosives or chemical gases or poisons such as we have conjured up in our nightmares. The fighting aircraft are good value for they are machines by the possession of which alone we can prevent bombing aircraft from invading our homes. Therefore no inspectorate which could not say what are fighting machines and what are not could possibly protect us. It is the great carrying machines which can really do harm.

The right hon. Gentleman the Member for Epping (Mr. Churchill), whenever he makes a speech, whenever he writes a book, and, I am told, whenever he paints a picture, is always able to produce a work of art and not infrequently a masterpiece. I believe that our grandchildren will read his works and will look on him as the Herodotus or the Macaulay of the 20th century. For his style and ease of reading, no one can surpass him, but we are told by our tutors always to be on the look-out for one point, the absence or prevalence of which when detected may throw the whole work out of perspective. In the right hon. Gentleman's most cogent and excellent speech to-day there was a point which I am afraid that we cannot accept, and I do not think that he believes it himself really. It is the point that the Government deliberately went to the League of Nations and made the proposition that all other countries should reduce their air forces to the same strength as our own and then cut them down by one-third, in the belief that nobody would accept it, and that therefore nothing need be done. I am unable, and I do not think anybody else is able, really to accept that suggestion.

What foundation has the right hon. Gentleman for believing that that proposition might not be acceptable to foreign Powers? Does he himself believe that we have accepted and that all foreign nations have accepted as a *fait accompli* that we are to be definitely relegated for all time to the position of fifth among the air forces of the world, that we have accepted that position and are unable and unwilling to get out of it? Does he not think that other nations may perhaps have an idea that possibly we alone financially, of all the nations of the world, if we desire to do so, can easily return to the position of first which we held just after the War? I wish the right hon. Gentleman were here to listen to the rest of the Debate. Does he not think that the possession of a large air force may not be an unmixed blessing? Machines in the air become obsolete very quickly. It is not quantity, but quality that counts. The Under-Secretary said that under Lord Londonderry's proposals France would have to cut their air force down by one-half. I wonder whether the French would not agree to that proposition with some relief. I do not know whether any hon. Members have seen the French air force in all parts of France, but I have seen some of the machines. They have certainly some very modern and good machines, but they have a lot which are costing them a great deal of money, and I am sure that they would be glad of an excuse to get rid of them. That, I believe, applies to other countries. I am unable without any further definite information, which perhaps the right hon. Member for Epping can supply, to accept the proposition that the Government made these proposals with their tongues in their cheeks knowing that nobody would accept them, and that therefore there was no need for anything to be done.

I would like to make one or two suggestions which perhaps may be of use. I know that when these Estimates are debated, it is the way of private Members to make many suggestions and hope for answers, but the numbers are so great that they cannot all be considered on their merits. But there is one question which I should be glad to hear is being considered by the Air Council. It is the question of short service commissions. It is possible that we cannot commit ourselves to any general policy on that question just yet. I do not know whether even the Cabinet know as yet for what we are aiming in our Air Service, whether we are simply building and training with the idea that there might be a war of world importance requiring ready protection of the greatest amount

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of materiel and personnel, or whether we are yet able to put that definitely by the board and build and train a small but very efficient police force to keep open our communications, and keep peace within the Empire.

I should like to pay a tribute in a small way and to offer my congratulations to my hon. Friend the Under-Secretary in that he is the only Minister of the Crown whom I have ever heard standing at that Table and telling the House of the work that is being done all over the world for peace by any section of the British Fighting Services. While the League of Nations is deliberating and talking, action has time after time to be taken by the British Forces, and so far we have only been told in the House what has been done by the Junior Service. The same sort of work is done by the Navy and the Army. Whether there is a typhoon in Jamaica or an earthquake in Salonika or New Zealand, the Navy with its cruisers go to the rescue. Whether there is a riot in Cyprus or trouble between the Jews and Arabs in Palestine, or trouble in India or in China, it has been the British Army or the British Air Force or both whose mere presence has sufficed time after time to bring peace when nobody else has been willing to act.

There is this question: Are we training and building for what is, in effect, an international police service, and, if we are, is it not perhaps time to reconsider whether we should not abandon the short service commission, which trains the greatest number of pilots, but possibly not the best quality, or whether we should not go back, anyhow in the case of some squadrons, to long service men? On the Army Estimates the question was mooted by an hon. Member opposite whether Woolwich and Sandhurst should not be amalgamated. I am not sure that I should not like to see a still greater amalgamation in the training of officers, so that we could have a number of Air Force officers trained at the start in colleges like Sandhurst—or Dartmouth for those who are going into the naval branch—and so that they had a grounding in naval and military work before actually learning to fly. I think it will be the experience of many hon. Members that there is great difficulty in getting flying officers with a sufficient knowledge of military science to enable them to undertake work in co-operation with the Army, and I believe that remark also applies to the Navy, though to a lesser extent.

We should be very glad if there were more co-operation with the Army in peace time manoeuvres, so that the soldiers themselves might know what part the aircraft play. Time after time I have been on manoeuvres and seen machines come flying over—it seems to me flying very much too close, having regard to the power of modern anti-aircraft machine guns. They fly over just as it is getting dark, and then go back, and we never hear what they have seen, or whether they have seen us at all, though it is most important for soldiers to know exactly what can be seen and to know something of tactical conditions from the air point of view. There is a tendency for the Air Force and the Tank Corps to play by themselves and not to co-operate and give information about what they have been able to find out and what they can do for other branches of the Service. If there were more long service commission men I would like to see some of them serving with soldiers and sailors before they are definitely posted to the Army and Navy co-operation service.

These considerations lead up to a question which I think there is not time to develop now—and perhaps the time would not be ripe at the moment—but there is an increasing number of Members in this House who believe that the experimental era of aviation is passing, and that soon the Air Ministry should be placed with the Navy and the Army under a Ministry of Defence. In that event, civil aviation would be taken out of the Service and put with other branches of transportation under one great Ministry of Transport and Communications. Under such a Ministry there would be boards working independently, such as we have in the case of the Electricity Board—and shall have in the case of the London Traffic Board, if it is formed—and perhaps the Post Office and Imperial Airways. Various boards might be set up to carry out the executive work, but all would be working together under one great Department to whom all transport questions, questions of electricity supply, and possibly the Post Office service, would be transferred.

Mr. DEPUTY-SPEAKER (Captain Bourne): I trust the Noble Lord will not discuss proposals which would require legislation when we are considering Supply.

Lord APSLEY: I am afraid I have wandered a little too far. I see that the Meteorological Office is included in these Estimates, and that it costs the country £60,000 a year. That is an office in which, to my mind, there is too much duplication, and I honestly do not think we get the best results. They may give excellent service to the Air Force and the naval aviation service, but the ordinary individual who flies cannot get weather reports that are accurate with sufficient quickness. There is considerable room for development in that branch. I raise this point because it is essentially an instance of where, if we had one great Ministry, which included the shipping department of the Board of Trade, we should be able to get far more valuable information. Every ship cruising under the British flag ought to send in weather reports regularly to the weather department of the Meteorological Office, and we should then be able to get an accurate weather report whenever we wished for it.

Another point with which I should like to deal raises the question of aerodromes in London. Under one Ministry this question would have been tackled long ago. There are aerodromes all round London, but there are no means of quickly getting to them or from them. Those aerodromes were mostly started as small clubs by a number of enthusiastic gentlemen who no doubt lived in London and possessed their own cars, and there was no idea at that time that they would be used by the ordinary individual who comes up to London periodically from the country, say twice a week, and wants to get to some place in the City of London. No provision is made for such air travellers. For the development of Civil Aviation there must be at least one central aerodrome, or a number of outlying aerodromes, with speedy communication with the centre of the Metropolis. That must be brought about, and one Department would have done it. The Ministry of Transport, if working with the Air Ministry, could have done it long ago. I have seen projected a scheme for a large aerodrome to be built over the top of some houses somewhere near King's Cross, and to be in the form of a cartwheel. If that is really so I should be glad if we could have some information about the scheme; and if those plans are only in the air, and are not likely to materialise, I would ask my hon. Friend whether there is not some possibility of vacant land at say, Wormwood Scrubs, being developed as an aerodrome and provided with communication by rail or tube or even omnibus with the centre of London. Without some such provision for people to get into London speedily we shall never really make great strides in Civil Aviation in this country.

6.8 p.m.

Mr. AMERY: Tempted though I am to follow my Noble Friend into the very interesting discussion which he has initiated, I feel that I had better confine myself to the theme with which I want to deal, and that is the policy of His Majesty's Government on Disarmament. That policy is referred to very briefly in the Air Minister's Memorandum. It is stated that it is fully explained in a Command Paper, and that no comment is required on the wider aspects of that policy. The manner in which the Secretary of State for Air has dismissed those proposals speaks volumes in itself. It would be very interesting if we could have his own frank comments on the proposition which His Majesty's Government put before the Disarmament Conference at Geneva. Whether the Secretary of State for Air wishes to comment on those proposals or not, I believe the proposals to be so ill thought-out, so unworkable, so fraught with danger to the whole structure of the Empire, that they ought not to pass without challenge or comment in this House.

Let me remind hon. Members of the genesis of those proposals. In November last the Lord President of the Council delivered a very remarkable speech, which interested, surprised and mystified the House of Commons. It was a speech in which he brushed aside as futile all attempts to disarm by the limitation of the size of aeroplanes or to make provision for protecting the civil population against aerial bombardment, and laid down the doctrine that all air war in future would be a mutual massacring of the civil population, because aerial defence is impossible, and that it would end in the wiping out of European civilisation. He came to the conclusion that

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if flying itself could not be abolished, which I rather gathered he would like to see, at any rate it was his firm conviction that, if it were possible, all air forces ought to be abolished; and as a corollary to that, and to make it possible, all civil aviation ought to be brought under international control. I believe the House as a whole thought at the time that that speech was just one of those sentimental musings in which my right hon. Friend occasionally indulges when he wishes to avoid dealing too closely with the details of any subject. Unfortunately, we have since learned that those ideas have been put forward to the League of Nations in the shape of a proposal for the complete abolition, by international agreement, of military and naval machines, and of bombing

"apart from the use of such machines as are necessary for police purposes in outlying places, combined with an effective international control of civil aviation."

I believe that that proposal, apart from the fact that it never had the slightest chance of acceptance, to be unworkable. To begin with, I suppose the idea is that the proposal safeguards us here at home from the fear of bombing, and yet enables us to carry on our police duties in outlying places like India or Iraq. I venture to suggest that the qualification, the exception, if it were really accepted by other Powers, would entirely destroy the scheme. What is "an outlying place," and what is "a police purpose"? From the point of view of the League of Nations, all nations are at home in their own country. Is Iraq an outlying place from the point of view of Iraq, which is a member of the League of Nations? It may be from our point of view. Is it the suggestion that we may keep an air force in Iraq because it is an outlying place, but that the Government of Iraq may not keep an air force at home—perhaps keep one only in the Irish Free State? Again, is India, a member of the League of Nations, an outlying place? And if we are dealing with a problem on the frontier of India, dealing with the frontier tribes there, is that a matter of police work? And supposing the Afghan forces join with the frontier tribes, are we to distinguish between the Afghan troops whom we may not bomb, and the frontier tribes whom we may bomb?

Then, what about the position in Arabia—in Aden, which was delivered from aggression by the Yemen some time ago? Is that police work? Besides, are we the only people with outlying places and police work to do? If there is any justification for our keeping an air force in Iraq and in India, are the French to be denied the use of an air force under similar conditions in Morocco. And if France has an effective and adequate air force in Morocco—I notice that the Lord President of the Council said yesterday that we must adhere to our view that we must have an adequate air force for police purposes—is not that air force immediately available for use in France in the case of a European war? It seems to me that if we once admit the exception to which I have referred we drive a coach-and-four through the whole scheme, and it is bound to break down. Therefore I must assume, if the Government really honestly believe in this scheme of theirs, that they will be prepared to drop their exceptions and to do without air forces altogether.

The whole safety of the British Empire to-day in the Middle-East depends upon the air arm. The experience that we have had in the last 10 years proves conclusively that, in those arid or semi-arid countries, with a scanty population and limited means of transport, the air weapon is the only economical, efficient and humane weapon for keeping the peace. The building up of the Iraq nation under British protection and assistance would have been absolutely impossible, against Turkish aggression—we drove back a serious invasion by the Turkish troops in 1924—or against the Wahabis of the desert or the risings of the Kurdish tribes or even against unrest amongst the Assyrian Levies. All that building up of security and peace would have been absolutely impossible without the air force, or would only have been possible at an expenditure wholly beyond the capacity of this country to bear. Similarly endless troubles in Somaliland were settled at the cost of a few thousand pounds and in a few days, by a few aeroplanes. At Aden, the humiliation of our territory being occupied for years by aggressive forces from the Yemen, and of tribes to whom we had offered protection being left unprotected, was settled in a few days, as one of my hon. Friends has pointed out, at the cost of practically no casualties, by the Air Force.

The whole problem of the Indian frontier is intimately bound up with the maintenance of an effective Air Force. It is not too much to say that, in these days, when the virile, war-loving barbarian tribes of the East are all possessed of long-range rifles, and have fairly good access to machine-guns and other weapons of precision, the air arm alone defends civilisation against the resurgence of barbarism. Long ago Kipling, in one of his poems, pointed out that the whole question of Indian frontier defence was one of expense, of arithmetic. He said:

> "The captives of our bow and spear
> Are cheap, alas, as we are dear."

It is only the air defence that enables us with a reasonable measure of economy to uphold civilisation in the Middle East.

We are prepared at this moment to embark upon a great and hazardous constitutional experiment in India. I am one of those who believe that we ought to go forward with that scheme, but I am well aware of the dangers, and I believe that, whatever other safeguard you include in your Indian scheme, the one safeguard that matters most is India's knowledge, and our knowledge, that we are capable, beyond dispute, of defending India's peace against disturbance from within or against aggression from without. The proposal that the Government have put before the League of Nations would, if accepted, utterly destroy any hope of success for the future self-government of India. We are told that all that is worth sacrificing in order that the people of this country may sleep safe in their beds. That is a very new notion of Imperial responsibility. The picture that the Lord President of the Council drew of an air war in the future was, I believe, wholly distorted and unreal. I believe that my right hon. Friend the Member for Epping (Mr. Churchill) has largely dealt with it. All I know is that, at all times, for every new weapon of offence science has found the answer. I entirely refuse to believe that the bomber, flying from the Continental coast, will not in future be effectively noticed, long before he reaches our shores, and effectively dealt with by our own Air Force.

Even if the danger that is held out were present, is it going to make for peace that wars should be long-drawn-out? Surely the more effective the weapons of war, the greater the prospect of speedy decision and the less damage inflicted. How much less the world might have suffered if in 1914, either side had possessed the aeroplanes or the tanks that they possess to-day. I believe it to be an entire mistake to despair of practical measures for mitigating the terrors of war, and to fly to wholly impossible suggestions that can never be carried out. The hon. Member for Deptford (Mr. Hanley), who made a very interesting maiden speech just now, suggested that if you cannot sufficiently distinguish individual munition factories from the houses around, there is no insuperable difficulty in dividing the country, under modern conditions, into zones, in which military preparation and the movement of troops and the making of munitions are carried out, and, on the other hand, into neutral zones, in which none of those things are carried out, and in which there is a guarantee that the rules of war will be observed. While it is apparently true that, within the military zones, there is some risk of civilians being hit, yet that has always been the case in a bombardment during war-time. A country at war has always been allowed to attack in that way by sea or by land, and there is nothing essentially different between bombardment by long-range projectiles and by a projectile carried by an aeroplane.

Mr. BUCHANAN: May I intervene? The right hon. Gentleman says that there is nothing to hinder places being separated, so that some places would be neutral. Are we to carry on war in the future as a nice, gentlemanly arrangement, where we only bomb munition factories and things of that sort? At one moment he talks about a fierce war, and then about neutral zones and of segregating certain areas. I may be awfully simple, but I would like the right hon. Gentleman to explain that.

Mr. AMERY: I think the explanation is afforded by the whole history of war in the past. The division between fortified places which are places of arms and which it is legitimate to attack, and open and undefended cities, is a distinction that is a perfectly recognised one, and in

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the main has been observed. Even in the last war there was no very great attempt to destroy purely civilian centres for the sake of destroying them. The attempt was made to destroy great railway and munition centres. I believe that it is possible to make some distinction in war between the main centres of military activity and those parts of the country in which the civilian population assembles and no fighting work is carried on. Something of that sort is more possible, and more practicable, than the suggestion that we should stop all use of the air arm.

Let me come to the necessary corollary, that the proposal is only possible if you can get an effective international control of civil aviation. I wonder what was meant by that? I noticed that Lord Londonderry put a series of questions to the League which practically all answered themselves. He said, " What measures can we take to prevent the seizure of civil aircraft within its own borders by a State which is determined on war?" The answer is very simple. No measures can be taken, because that State will always seize what aeroplanes are within its own territory and use them for its own purpose. He asks, " What are the conditions to be satisfied to prevent the use of civil aircraft for warlike purposes?" There is no way to prevent civil aeroplanes being used for war, in the absence of military aeroplanes, for conveying troops or bombs. You might as well lay down that motor omnibuses should never be used in war-time for the conveyance of troops or of munitions. Once you have developed a great new form of transport for ordinary civilian purposes, you cannot prevent its use for other purposes.

We are told that we must have international control. What does that mean? Mere registration? If so, by all means let us have it. But what is the use of that? Or does it mean some central, international body, which is to lay down rules as to how many aeroplanes any country may have? Will it lay down that Mrs. Mollison may not try a new flight because she is not to have an aeroplane until Latvia has had two more? The whole thing is preposterous. As for international administration, that will always be an example of incompetence and inefficiency. Every now and again, the " Times " newspaper correspondent at Tangier gives us some amusing descriptions of international government at that place. The last I remember was the end of the long-drawn-out dispute between France and Spain, which for years prevented the inauguration of a new fire-engine. It was finally settled by Spain providing the pipe and, I think, France providing the engine, while a third Power provided the wheels. If you have international control, who is to be responsible? All these things, to have any real effect, postulate an international government of the world, and we are very far from that.

Who is going to accept this preposterous suggestion? The United States have already announced that they will not have their civil aviation internationally controlled. The United States have 11,000 aeroplanes, more than the rest of the world put together. Will Canada have her civil aviation supervised, and is Australia going to put her rapidly developing scheme of civil aviation, which is doing wonders for the opening up of the country, under the control of some body at Geneva? The whole thing is unworkable, and an attempt to work it would only postpone the development of a great new means of communication which is calculated to contribute far more to an understanding among nations and to the cause of peace than any of the unreal and largely hypocritical discussions at Geneva.

The Lord President of the Council says that there is no immediate hurry for discussing these matters, and that they are not likely to come to anything for a very long time. That is not a fair way to treat the subject. It does not exonerate the Government from its responsibility for having brought forward proposals which would be dangerous to the security and peace of the British Empire, and which would mean the abandonment of the responsibilities that we have undertaken. They are proposals which show so little real thought, and such an irresponsibility in introducing them, that, in my case at any rate, they have seriously shaken my confidence in the capacity and fitness of the Government to be trusted with the control of our international relations. It is time that in these matters the Governmnt should bring forward honest proposals which they believe can be carried out, and which they mean to be carried out, and should not make gestures which only help to mislead the public at home, which do nothing for the cause of peace, and which, in the end, lead to disillusionment, if not disaster.

The Secretary of State, dismissing the wider Government proposals as requiring no comment, says that the "practical proposals" put forward for a general reduction are so-and-so, and refers to the fact that we have asked everyone to reduce to our level and then a further 33 per cent. That is a proposal which at any rate is workable in the sense that, if others adopted it, it could be carried out. But is it really any more practical? Here are we, the fifth air Power in the world, and it suits us, with our naval position, being the fifth air Power, to get every one down to our level; and we put that forward as a serious contribution to the cause of peace. Italy is the fifth naval Power in the world. What should we say if Italy came to the League of Nations and seriously proposed that the navies of the world should be scaled down to the Italian standard, and then 33 per cent. below it? We should regard that as a thoroughly dishonest proposal. I am afraid that behind a great deal of our self-righteous posing as the champions of the cause of disarmament and peace there is not a little of the prudence that belongs to the policy of "Disarm your neighbour first." I think it would be far better to omit the first sentences of that paragraph, and to tackle the last sentence, which records the fact that:

> "The modest defence programme of 1923 is held in suspense for another year."

Is it not time that that suspense were ended—that, in view of the admitted failure of the Disarmament Conference, we saw to it that our Air defence, without being excessive, without indicating any aggressive intention, was at any rate adequate to our security? I feel strongly that it is high time that we interrupted the endless circle of gestures and proposals which are not seriously meant, which are not really honest, which do not help forward the cause of peace. Let us get on with the problem of reconciling the world's difficulties, of finding solutions for the political problems which underlie those difficulties. They are individual and local solutions, not susceptible of being dealt with by any cut-and-dried scheme or any method of percentages. Let us work patiently, and, in the meantime, let us maintain at any rate a reasonable minimum of defence for our own needs, showing both that we are capable of defending ourselves and that we have no aggressive intentions towards others.

6.34 p.m.

Lieut.-Colonel MOORE-BRABAZON: I have listened with great interest to the speech of my right hon. Friend the Member for Sparkbrook (Mr. Amery), bearing in mind the fact that he had a very distinguished career at Harrow, and also that he was at one time First Lord of the Admiralty. I sometimes wish that he had supported the views he expressed this afternoon when he was at the head of the Admiralty.

Mr. AMERY: I did.

Lieut.-Colonel MOORE-BRABAZON: Not always. My right hon. Friend dealt with one or two interesting points with regard to objectives for bombing, and, before I pass to the remarks that I would like to address to the House independently of his speech, I would like to draw the attention of the Air Ministry to the fact that an aircraft factory is certainly a legitimate target for bombing, and it is, I think, the duty of the Air Ministry to see that not too many of our aircraft factories are situated in the south, because they are situated now in industrial centres, where an enemy could quite justifiably bomb them and at the same time cause immense damage to the surroundings.

I would like to pay a very hearty compliment to my right hon. Friend the Under-Secretary for the way in which he presented these Estimates. His speech was, indeed, one of the most pleasant speeches to listen to, from the point of view of a back bencher, that I have had the pleasure of hearing for a very long time. Of course, it was remarkable, not for what was said, but for what was left out; but we have to remember that this Debate to-day is really a continuation from the Debate which was finished by the Lord President of the Council the other night on Disarmament from the point of view of the air. It will be remembered that he stopped in the middle of an interesting speech, when there were still 10 minutes to go, a Division was taken, everyone was left gaping with his mouth open, and no one replied. I happened to be standing in

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front of the Bar, or I should have said a word, but I could not get forward.

I felt that the Lord President, in that speech, did a grave injustice to many of those people, including many of my friends who are dead, who strove and gave their lives for the creation of aviation. He said that he wished that aeroplanes had never been invented. I think that that was an unjustifiable thing to say. After all, those people who made flying a possibility in this world never thought that they were inventing a great engine of destruction. They thought that they were producing something which was going to be of value to the world, and it is ridiculous to think, in these days, of the possibility that this great gift from God should be done away with and destroyed simply because it happens to be unpleasant during war. I know it is unfortunate that we have the brand of Cain upon the aeroplane, but I think that we ourselves are a good deal to blame in this matter. My right hon. Friend and I, and many others whom I see here to-night, have preached year after year on these Estimates and in the Press the importance of air armaments and the destruction that can be effected through the air. I think that we have over-exaggerated our case, and that, to use an old Air Force term, we " put the wind up " the population to such an extent that they came to think, quite honestly, that a place like London could be exterminated in a few days by aerial bombardment. That is absolute and entire nonsense. We have to understand that all things are relative, and, although a very intense aerial bombardment would be unpleasant, it really would not be so disastrous as that.

Mr. EDWARD WILLIAMS: The hon. and gallant Member is certainly an expert on these matters, and Members of the House are pleased to hear what he has to say regarding them, but, surely, we are under a misapprehension if we fail to realise what aerial bombardment could do to London. We read in pamphlets and in the Press of the enormous damage that could be done, and the hon. and gallant Member is advancing an entirely new idea, of which I should like him to give an explanation.

Lieut.-Colonel MOORE-BRABAZON: I do not know how far I could go ahead on that particular theme, but I might, perhaps, point out to the hon. Gentleman what happened in the case of Dunkirk. Dunkirk was bombed three times a night for months on end by a squadron of German aeroplanes, which had the easiest task to find the town by flying along the coast. No town was ever subjected to such an aerial bombardment for so long; and yet people lived in it with comparative comfort. It was not destroyed off the face of the earth. And it is quite a small town as compared with London.

Mr. E. WILLIAMS: What about poison gases?

Lieut.-Colonel MOORE-BRABAZON: Poison gases, I believe, consist to a large extent of hot air. We have not had experience of them from the point of view of dropping them from the skies, and we do not know much about them in that regard. Nor would they be particularly efficacious if there were any wind. We have now to deal with London fogs, and, compared with them, the case of poison gas is very simple. Coming back to the question of Geneva and of the control of aviation, I resent very much the suggestion that we could go into the consideration of this subject at all without including Russia, which is concentrating enormously upon the development of air armament, and without including America. America has put forward some of the most amazing suggestions with regard to her own position that I have ever seen seriously advanced.

I have been trying lately to help this subject by serving on a sub-committee of the League of Nations Union, and some of the dope that is poured out to the people at Geneva is brought to that committee. Really, some of these documents are absolutely the most consummate balderdash that I have ever listened to. There is a Mr. Gibson, who tells us the most amazing things about American aviation. He tells us—I think it has been quoted already—that there are 10,000 aeroplanes in America, only 70 of which can be used for military purposes. Can anyone imagine that to be the case? We are told also that America ought to obtain exemption from control, if there is to be world control, because of her curious meteorological conditions. I hope that too much attention will not be paid to those two nations and their objections to control. Certainly from our own side, as has been pointed out, some of the best half-baked schemes have been put forward by defeatist half-wits from the Foreign Office that have ever been seen. I should like to ask my right hon. Friend if those schemes have been "vetted" by the Air Ministry, or if they have ever said that they agree to them? Or were they just chucked off as a way of passing an afternoon, without reference to any of the experts in charge of the air side?

We have been told that the Air Forces of the world—including, of course, our own—should be done away with, and in that connection I would like to say this to the House of Commons. I have been plugging along every year since the War making speeches on these Votes, and we have not really had any enemy outside. The enemy of the Air Force is not across the Channel, it is in Whitehall. Everybody knows perfectly well that the people who want to do away with the Air Force are the Army and the Navy. That sticks out a mile. When we come to putting forward some question of policy to the Government, the Cabinet are guided by the advice of the right hon. Gentlemen who preside over the War Office and the Admiralty; but they should be out of court and out of the room when anything is to be decided about the Air. They have failed time and again in their frontal attacks with the object of doing away with the Air Force, and now they say that, if they cannot do it by a frontal attack, they will do it by a sweeping movement at the side. When the suggestion has been made that the Air Force should be done away with, was not that exactly what the Admiralty and the War Office wanted? Of course it was. It was their suggestion, ably backed up in the Cabinet by half-wits. Some time ago, when the Air Force said that they could take on the administration of Iraq, what was the advice given by the great General Staff to the Cabinet at the time? It was that it would be perfectly impossible, and that a great disaster would follow any such attempt. On the contrary, however, it has been a complete triumph for the Air Force; it saved us millions of pounds. And there are many other ways in which air power can be used instead of other and more expensive services.

I should like to say a word about civil aviation, because on that subject we need a little clear thinking. When civil aviation started, it represented a movement which automatically should have become an internationalising force. In every country in Europe to-day you will find the most excessive subsidies on civil aviation. Those subsidies do not really produce civil aviation machines. They produce war machines disguised as civil aviation. In Germany, which of ocurse is deprived of warlike aviation, they have a most elaborate system of subsidised civil aviation. It is not necessary in any way. It is really only a potential resource for war. We in this country have been, as we always are, the most honest of all people. Our service from London to Paris is the only one in the world that could exist without any subsidy at all. I quite agree that, when we are pushing those big lines right down to Africa and throughout the world, they could not be self-supporting if it were not for subsidies.

One of the troubles to-day is subsidies, and the fear of the use of civil aviation for bombing in the first weeks of a war, the fact of civil aviation being turned into military aviation. I believe that, if subsidies were withdrawn by agreement at the League of Nations, the amount of civil aviation would decrease—anyhow, that type of civil aviation which is really war aviation in disguise. Our defence against commercial aviation disguised as military aviation is a really efficient Air Force of our own. Although we keep on saying we are only the fifth Air Force in the world, it was always our pride that on the technical side our equipment was the highest. I sincerely hope that my hon. Friend can tell me that that is being maintained. The Government, as years go on, and as they continue to live in a world of self-deception and flattery in which all Governments live, get their ears off the ground. I hope they will understand that the country is feeling very anxious over the Air Service. They are not content to remain the fifth Air Power. They are not content not to have a basis of a one-Power standard. By all means go to Geneva and try to convince them that they should reduce their air forces, but, if you cannot make them reduce theirs, we ought at least to insist upon equality with them. It is preposterous that we

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should go on for ever in the position of being the fifth Power. I believe equality is vital to us and is desired by the country. The right hon. Gentleman knows that we could have put ourselves in that position by using only a third of the increase on the other two Services. That is a very serious thing for the Government to consider.

I end on a note which I have repeatedly made year after year on these Estimates, that is, that the money that we are spending upon the Air, upon the Navy and upon the Army is only one thing, and that is the defence of the country; and yet year after year the great Departments will not allow the Government or the House of Commons to look at this as one subject. Again, this year I ask the House to notice that it was only by luck that we were allowed to see the Estimates of one Department before we were called to approve those of another. I do not come here to plead for a Ministry of Imperial Defence. That is, perhaps, going too far, but I think the House of Commons has a right to know to what it is committed from the point of view of expenditure on the safety of the Realm. That we should be allowed to debate the relative expenditure on one Service and another on some Vote is absolutely essential. I hope that another year we shall have plenty of time to consider the three Votes, from the point of money, together, and then we shall be able to show how one Service might be curtailed at the expense of another and *vice versa*, because it is only along those lines that we can see that we are getting true economy and an efficient defence of the country.

6.52 p.m.

Mr. E. WILLIAMS: I cannot claim to possess any expert or technical knowledge about aviation, whether civil or military, but I certainly think that our point of view ought to be advanced. If I am to accept most of the speeches that have been made, it would appear that humanity is doomed and damned and that, if science and technique advance during the next decade at anything like the same rate of progress that they have advanced during past years, we are in fact faced with mutual annihilation.

The right hon. Gentleman the Member for Epping (Mr. Churchill) delivered one of the most jingo speeches that I have ever heard since I have been in the House. He believes that it is only possible for this nation to save itself by continually increasing the number of aeroplanes, and I presume seaplanes, until we obtain a strength which will be substantially greater than that of any other nation. He asks that we should face up to realities. I ask hon. Members to reflect upon the position in Germany. Germany was considered to have been definitely beaten in the Great War, and the right hon. Gentleman endeavoured to place certain penalties upon her by way of reparations. To-day she is in the throes of a revolution. At this very moment it would seem that the Corridor which was founded by the Versailles Treaty is likely to be the cause of another war. Hon. Members are advancing the case for an increase in expenditure upon civil aviation in order that it may be used for military purposes as a protection against Germany, which was supposed to be destroyed as a military nation. When can we reach anything like the end of the tether if by mere circumlocution one is to go from one war to another?

The Lord President of the Council, I think, was positively wrong when he spoke of the consequences that would occur if another war broke out, and the dire effect that aviation would have upon the population. He was wrong when he said that the future depended upon young men. After the speeches that I have heard to-day, I am convinced that the old men are the enemies of human society. Every old man who has spoken has advocated an increase in armaments and in the weapons that the young men will be obliged to use in the next war. The old men are really a serious danger to civilisation and society, and not the young men. I endeavoured to ask myself, when listening to the Debate, why these conflicts are likely to arise which will cause the next war? I do not believe that the populations of the various countries desire war at all. If war takes place, it will probably be because there is definite economic conflict between one nation and another. I can see the possibility of civil aviation being utilised for military purposes. I can see Imperial Airways being utilised as a means not only of defence but also of offence by this nation, but at bottom the cause of the conflict will be commercial and economic. Consequently, I can see no possibility of abolishing war until we take control of the manufacture of armaments and abolish the conflicts of interest which obtain as between one nation and another.

I do not wish to impute anything like dishonourable motives. I should not like to impute, for instance, that hon. Members are desirous of maintaining the Army in order that their sons may obtain a profession, or that they are desirous of maintaining these Services not so much to defend the country against an aggressor as to provide an occupation so that their sons may become the rulers of the working classes and keep them in their place. I want to assume that they are quite honest about this matter; that they would like to abolish war; that they look upon war as a danger, and that they are prepared to make their contribution, if possible, towards that end. On the other hand, if I have to do that, I have to analyse the contributions which have been made. From the right hon. Gentleman the Member for Sparkbrook (Mr. Amery) we have had nothing with which I can agree except one thing, that is, his condemnation of the Government for their unfitness to produce a policy for dealing with civil aviation, and for the political circumstances in which we are placed. Apart from that statement, not one word was uttered by him to indicate how it is possible to eliminate the danger of war breaking out. For instance, there is the Locarno Pact, with which the right hon. Gentleman the Member for Epping had much to do.

If, as now seems very likely, trouble arises in Poland, in which there is a substantial proportion of French capital invested, and if along that Corridor trouble is produced, France will be inevitably inveigled into that struggle, purely on economic grounds. Because we are signatories to the Locarno Pact, we will at once be drawn in in support of France. Nothing has been said in this Debate by hon. Members to place before the Government plans to obviate what seems very imminent at this moment, if we accept what is said in the Press of this country. Surely the suggestion, advanced from these benches, of international control should be considerable. There is, I think, sufficient intelligence in this country—a sufficient number of educationists and scientists, as well as practical, broad-minded men, who would willingly give of their service to this nation—and I believe that obtains in most nations—to propound a plan which would obviate another war. I believe that there are persons in this country sufficiently humanitarian to realise the enormous consequences which will befall this nation if another war breaks out.

Yet there is nothing coming from right hon. Members at all, except jingo speeches. They say we must increase this new defence arm. It is known, as a positive fact, that it is not a defence arm at all, but an arm of attack. At a moment when something catastrophic takes place between the nations, that which is seemingly defensive becomes offensive. Certainly anything that can be done to destroy the moral of another nation will be one of the first phases of tactics considered by this nation, as it would likewise be considered by any other. The bombing of the City of London and our industrial centres, the bombing of Paris—these things are considered essential for military purposes to destroy the moral of the people. It is not that they desire to slay innocent people as such, but it will be done to produce effect upon those they consider their dire enemies. I certainly could not agree to a substantial proportion of the remarks advanced by hon. Members. They look upon war as being absolutely inevitable. They say that we must have a force at least comparable with one of the greatest forces in the world. They consider that the only possible means by which we can escape being annihilated in this country. It would seem to me that we are not really living many stages above savagery.

With science and technique at our disposal, and even this greatest and most revolutionary of things, aviation, which is abolishing boundaries and making humanity a fact, we still go back into the depths of barbarism and preach an increase of all weapons of destruction. That means in the ultimate the annihilation of the human race. I wish that hon. Members would put forward some proposals which would make us face realities as we see them to-day. Germany, apparently militaristically annihilated, is to-day in the throes of a revolution. We have to be prepared, using civil aviation,

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to place ourselves on equality with France. This, apparently, has got to go on until we get right back into savagery. As all national barriers have been annihilated by aviation, aviation ought to become a matter of international control. If national barriers do not prevent aviation crossing the world, obviously it is of itself, in factual truth, an international weapon, and it ought to come under international control. It ought to be used as an international weapon for policing the world, and not for defensive, which can be twisted into offensive, purposes that may be used to annihilate humanity.

7.8 p.m.

Mr. WHITESIDE: Having addressed a meeting earlier in the afternoon, I have not been able to listen to all the speeches which have been made. I would, therefore, crave the indulgence of the House should I inadvertently use any of the arguments already put forward in discussing these Estimates. In discussing these Estimates we should bear uppermost in our minds the fact that they are of a dual character. They represent a morganatic marriage between military and civil aviation—a union which, in my view, should never have taken place. It was, perhaps, a little unfortunate that flying first came into prominence during the War. Flight as a means of reconnoitring the enemy's position became of paramount importance. Since the War a new Ministry, surrounded by all the paraphernalia and red tape of a Government Department, has become part and parcel of the organisation of most European Powers. As a result, civil aviation has been controlled and hemmed in by a military oligarchy. The effect has been two-fold. The public regard aviation almost entirely from the military aspect and commercial aviation has been retarded.

The extent to which this military psychology has permeated the minds of the public is shown by the sustained, almost hysterical, demands that aviation should be controlled by the League of Nations. In my view, any man in his right senses must wish the League of Nations well. But we, who are Members of this House, are responsible for the safety not only of our own nationals, but of our brethren throughout the Empire. It is a remarkable fact that those who vaunt themselves as the champions of peace make exactly the same speeches, whatever the size of these Estimates may be. If the House will permit me to say so, I think that those who make these criticisms would be doing a far greater service to this country and to the world if they would state outright whether they believe in the total disarmament of this country, irrespective of what other nations may do, or state categorically the level of armaments they consider it necessary for us to bear.

During the last year certain suggestions have been made with regard to the control of aviation. They fall under three heads. The first is the total abolition of all military aircraft. The second is the total abolition of all national military aircraft, and the substitution of a League air force. The third is the control of civil aviation, and the formation of international air lines. Let us briefly examine these suggestions. As long as military aircraft are in existence, there is no danger from civilian machines. Abolish military aircraft and every civilian machine, no matter how inoffensive, becomes a potential danger. Such a suggestion, therefore, if carried out, would not decrease the risk of aerial bombardment, but increase the dangers a thousand-fold.

The formation of a League air arm is impracticable. The machines of such an air force would have to be made in some country, or countries, and, under modern conditions of production, those nations could, if they should so wish, produce an almost unlimited number of similar machines in a very short space of time. The air arm of the League would have to possess a general staff. That staff would be composed of the nationals of some country, because the League of Nations possesses no corporate spirit. The duty of that staff would be to prepare plans to meet every eventuality. Every one of these plans would be known in advance, and would be futile. I read in the "Evening News" of 7th March:

> "Britain had accepted the French plan for the creation of an international air police, to come into being simultaneously with the abolition of military and naval aviation. The Under-Secretary of State for Foreign Affairs specified, however, that each country's contingent in such a police force should be maintained in its own territory, instead of in some neutral country."

What in the name of all that is commonsense is the difference between that police force and our present Royal Air Force? Are we to suppose that the present Air Minister, rechristened by the League of Nations Air Chief Constable, will, if this country is declared by a majority of the League, through the casting vote of Czechoslovakia, to be in the wrong, set out to bomb his own house in Park Lane? Are we to suppose that if the League of Nations find it necessary in the future to send a punitive aerial expedition against this country, our own air police force will join in the slaughter? Or will they oppose it? The Prime Minister can come back from Geneva and tell such tales to the marines or to the League of Nations Union, but he cannot expect us in the Mother of Parliaments of an Imperial Empire to accept such suggestions with enthusiasm. Are we to continue to pay thousands of pounds for the upkeep of the League when we have 3,000,000 starving people on the dole in order that our Ministers shall come back to this country and talk such utter nonsense? I beg, I entreat those who are striving for world peace, those statesmen who are being backed up by the whole of the country, to be realists as well as idealists. We are living in a concrete world filled with many horrors but crowned with beauty, and not in a mythical land of make-believe.

But is the Air arm a danger to civilisation? War is resorted to by one nation in order to compel another country to submit to terms which the former considers desirable. It is resorted to by force of arms. Those forces are controlled by a central authority. Destroy that central authority and your forces will have no cohesion; peace must follow. It is the very object of aerial attack to destroy the enemy's headquarters and so end the war. The last War dragged on for four and a half years. It was ended not by force of arms, but by the slow premeditated starvation of a great people. It affected every man, woman and child in the enemy Powers, and as a result of under-nourishment and nervous exhaustion it will affect the lives of many yet unborn. For four and a half years none knew from one moment to another whether they were going to be attacked. For four and a half years nobody knew whether their loved ones were dead, alive or mutilated. War does not affect those it kills. Death is but the passing from one sphere to another in Eternity. The curse, the awfulness of war is that it destroys the soul, the manhood of the living. I say in all sincerity I would rather see a great city like London totally annihilated by an aerial attack for the war to end, than that 42,000,000 of our people should be compelled to pass through years of living hell. The formation of an international air arm is practicable, but what possible security that could be is beyond my comprehension, because in the event of war every one of the machines would be confiscated by the Government of the country in which it was housed.

As for the control of Civil Aviation, the League might just as well attempt to control the production, design, buying and selling of motor cars or matches. Nor is any form of limitation or quota possible. Upon what is a quota to be based? Is it to be upon area, the number of your population, your needs, or the enterprise of the individual people in the country? I can imagine such a quota being put into practice. One of my friends goes into Henly's and says that he wants to buy an aeroplane. The saleman puts on a mournful expression and says, "I am very sorry, Sir, we have already sold up to our quota, but we saw Mr. Smith flying yesterday, and we think that he will shortly crash and kill himself, and when he is dead and his machine is destroyed we shall be very pleased to sell you another one in substitution."

I will now turn to the Estimates which are before us. They are the result of a compromise between the Treasury, the Foreign Office, the Admiralty, the War Office, the Air Ministry and the Cabinet Committee of Imperial Defence. The ratio between the Army and the Air Force, and between the Navy and the Air Force is roughly two to one and three to one respectively. Is the Navy worth three times the Air Force? The Navy has guaranteed our food supplies in the past, but can the Navy to-day protect London, Karachi, Singapore, Malta, Calcutta or any other of our great cities from devastation from the air? What is the use of guaranteeing the food supplies of a great city if your population has been wiped out? Dead men do not eat. It is however impossible to

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wipe out a great city by aerial attack, and those vociferous pacifists who go about the country and tell people that sort of thing do not know what they are talking about. The air arm is, however, the most potent of the three Services. I believe that a great many of the duties at present undertaken by the Army and the Navy can just as efficiently, and far more cheaply, be undertaken by the Air Force. Surely the trouble in Cyprus and in other parts of the world has demonstrated that fact amply. It is often assumed by some hon. Members that the possession of arms makes for war. I do not believe it. Can any hon. Member of this House from the smooth, suave, cultured Member for Oxford University to the intellectual, pertinent, pugnacious Member for Epping (Mr. Churchill) seriously get up and say, because we have a highly efficient Air Force and Germany has no Air Force at all, that we wish to attack the Germans; or because France has a large Army and we have a comparatively small Army, that the French wish to fight us? It is not true. It is not armaments which make for war; it is the fear of war which causes the anxiety for armaments. I, personally, do not believe that armaments will give us any security in the future. They merely provide employment.

When another war comes the danger will not be from explosives from aerial attacks. The danger will come from germs and gases. I do not believe that war will even be declared. When one nation wishes to wipe out another nation it will infect rats with anthrax and plague and let them loose, or it will send through the parcel post germs so potent that when the packet is opened that nation will be completely wiped out. That is the danger to civilisation, and no peace pact, convention or any other power in the world can prevent it. I believe that if men and women are not prepared to turn and bow before a wisdom greater than the wisdom of this world, civilisation will inevitably be wiped out. That is the answer which youth gives to the speech of the Lord President of the Council. The danger to world civilisation to-day, as I see it, comes from that great country Russia, whose leaders openly deny the existence of God and look upon Christianity as an idle superstition. But I believe that man's conquest of the air is one of the greatest tangible advances towards the securing of world peace. What greater power for peace is there than that of enabling men of all nations and races to get together and know and understand one another?

That brings me to the second part of the Estimates, that dealing with Civil Aviation. During the last few months a considerable agitation has been got up to free civil aviation from Air Ministry control. I do not believe that the criticisms are altogther justified. The Air Ministry has been the friend of civil aviation, and I do not believe that civil aviation would have progressed as it has progressed had it not been for the friendly co-operation of the Air Ministry. On the other hand, I think the time has now come when that grip might be relaxed. I refer to the A.I.D. inspection. I would not, on purely psychological grounds, suggest that the regulations governing public service aeroplanes should be loosened, but I can see no reason why constructors in approved firms should not now be permitted to design and construct light aeroplanes of a seating capacity of five or under without any Air Ministry control. The approved firms have a reputation to maintain, and such a suggestion, if coupled with compulsory third party insurance, would not, in my view, lead to any diminution of the factor of safety.

So far as I can see, the Air Ministry are confronted with one of two alternatives in this matter. Either they assume that the experts of the Air Ministry know more about stresses and design than the industry itself, or else those experts are relying on data obtained from the industry. But, as the science of aerodynamics is not fully known, they are of necessity examining new proposals on data which is out of date, and therefore retarding development. Civil aviation is fighting an uphill battle. It has to contend with this appalling military psychology. The papers are filled with pictures of new interceptor fighters. The Prime Minister, a pacifist, when he travels, charters a military machine. The greatest aerial pageant in the world—Hendon—is entirely military. The long distance and speed records are held by the Royal Air Force in co-operation with firms producing military machines. It is no small wonder then that ignorant men are alarmed at the prospects of future flying.

I mentioned previously that man's conquest of the air was a tremendous power for peace. I will now substantiate that statement. The air is truly international. The machines themselves are often of a composite character. There is the German Klemm fitted with a British Cirrus or Pobjoy engine. You have the Dutch Fokker flying with an American Pratt Witney Wasp engine, all purely a matter of efficiency. Pilots are international in outlook. They recognise no frontiers or barriers. It is the land folk, with their Governments, who compel us to carry passports, carnets, triptiques and a multitude of other inter-governmental red tape. Why cannot we be allowed free to fly where and whence we will? The pilot's job in life is to bring men together.

Let me give one further illustration to make my point. One hundred years ago, before the industrial revolution, each county in England endeavoured to make itself self-supporting. Then came the industrial revolution; men poured from the country into the towns, and the country, as a result, suffered. Later railways were invented and as a direct result business men carried out their business in the cities and had their homes in the country. England became one economic whole, and the whole prospered. To-day, the world is suffering from a similar upheaval. Nations have taken the place of the counties. Is it impossible to conceive that this new means of transport, the air, will not unite first the Empire and then the world into one economic whole in exactly the same way as the railways have united individual nations?

The Government are striving to cure the unemployment problem. I represent a constituency in the North. Although I believe there will be a revival in the iron and coal trade I do not believe that the heavy industries will ever again employ the same number of people as they have done in the past. The North must look for a new industry. Here is a new industry. It is no use going out trying to recapture lost markets. You must cut new virgin ground. The Empire has large tracts of barren land. There are such tracts in Canada and Australia, and they are waiting to be exploited. They will never be exploited until adequate means of transport are provided. Canada possesses two aircraft manufacturing firms, with four competing American firms. Australia has only two aircraft manufacturing firms. What a market for expansion is waiting ready to be exploited. Here is our opportunity. Years ago, Disraeli bought up the shares of the Suez Canal and his vision has since brought tremendous wealth to this country. What we want to-day is men with similar vision, who will exploit the air.

If I have proved my case and the air is a force for peace and not a peril for war, I humbly submit certain suggestions to the Government. Let the President of the Board of Trade when he enters into new agreements with foreign countries make sure that a clause is inserted saying that in future this nation may be allowed the freedom of the air over those countries. It is impossible to build up great international and imperial air lines if your concessions are liable to be cancelled at a moment's notice. We must have concessions for a period of 30 years. During those discussions I would suggest that the President of the Board of Trade enters into an arrangement with foreign countries with regard to the limitation and the final abolition of subsidies for civil aviation. Sooner or later civil aviation must fly on a proper economic basis, and the sooner the better. I would submit to the Minister of Health that in future when he sanctions any town and country planning Bill he will see that in that Bill adequate proposals are made for the provision of future aerodromes. It is no use having aerodromes which are miles from the centre of the cities. I would suggest to the Secretary for the Department of Overseas Trade that he should instruct his Consuls in future to push British machines. The Consuls of foreign countries are nothing more nor less than glorified salesmen, and I would suggest that our Consuls be the same.

The Minister who can do more than any other is the Postmaster-General. The Postmaster-General is a man of enterprise. He, in co-operation with his Department, has produced two types of telephones, which sometimes work. The Post Office is to-day going out on a great selling drive, and the Postmaster-General, with gigantic courage, has given instructions that his officers should paint those

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telephones red, blue, old gold and silver. Having done so, he comes down to this House, his face beaming with Pickwickian smiles, expressing: "What a good boy am I!" But there his enterprise stops. Does the Postmaster-General select slow cargo boats to carry the mail at a very low rate? No. He pays thousands of pounds to buy cargo space in fast ocean liners, tearing through the water at perhaps 20 knots, but he does not charge the public additional postage for that concession. He pays for it himself. But when it comes to the air mail he will not give one penny piece to Imperial Airways to carry the air mail at 150 miles an hour.

If I should suggest to the House that in future when sending a letter from London to Nether Stowey one should be compelled to put a direction on the top of the envelope to show how that letter was to be carried, the House would consign me to Bedlam, but that is exactly what the Postmaster-General expects in regard to the air mail. If any hon. Member will go to the Post Office in the lobby and wishes to post a letter to Australia he will write on the envelope: "Australia Air Mail." But that does not mean that his letter will be carried by air mail to Australia. He will be charged 4d. extra, but his letter will go out to Australia by the normal land and sea routes and will be carried by internal air mail in Australia. If you want to send a letter to Australia by air you have to put a direction on the top of the envelope: "India Air Mail, London to Karachi, Internal Air Mail, Australia." You will be charged a further 7d. But if you want to send a letter out to Australia quickly you will not send it by British post at all. You will post your letter to Amsterdam and have it carried by the Dutch line KLM to Sumatra. For two and a-half years the Dutch have been running a regular air mail and passenger service to Sumatra in only one day outside our record to Australia. What is the Postmaster-General going to do about that?

In order to stimulate postage within the Empire the Postmaster-General charges one flat rate for all letters in the Empire. It costs no more to send a letter to Australia than to send a letter from S.W.1 to S.W.2. The procedure of the Post Office is to utilise the profit on one service to defray the loss which they make on another service, but so far as the air mail is concerned every stage of the service has to pay for itself. In order to stimulate postage within the Empire the Postmaster-General charges 1½d. Distance is of no matter. If you want to send a letter to a foreign country, say, France, he will charge you 2½d., but so far as the air mail is concerned he completely reverses his policy. He will charge you 4d. to carry a one-ounce letter to France and 2s. to carry it to South Africa, one of our own Dominions. I would ask the Postmaster-General to state the reasons for this complete *volte face* so far as the air mail is concerned.

I would make a very humble suggestion to the Postmaster-General. If he wishes to earn a public funeral from a grateful nation he should follow in the footsteps of his great predecessor, Rowland Hill. Rowland Hill, in spite of every opposition, decided to reduce the cost of postage and to carry the mail by the then fastest known means of transport. Let the Postmaster-General do exactly the same. Let him charge a flat rate of 2d., 3d. or 4d., and send every letter to the East by air mail. If he will do that he will capture for this country the entire air mail to the East for the whole of Europe and bring unbounded prosperity to his Department. There I will leave the matter. If the Postmaster-General will not give adequate reasons for this extraordinary discrimination against our own Empire and against the air mail services, I shall be compelled to pursue this subject further across the Floor of the House, in language enlivened with a plethora of adjectives. I will not detain the House longer. The Prime Minister has asked for suggestions with regard to unemployment, and I would submit the proposals to him which I have just made. The country to-day is longing to hear more about the air. A generation is growing up to whom the air is no more an unnatural phenomena than the motor car. They have never known a world without aeroplanes, and they are longing to know more about them. I would suggest that the Air Ministry, in co-operation with the air industry, should choose some man of character, personality, courage and enterprise to go round this country and Canada and Australia and explain to the people the truth about the air, so that when the air comes into its own, they will be prepared to travel by air from one end of the earth to the other, so that men of all nations and races will be able to get together and understand each other; for in the hands of knowledge and understanding lies the future of the peace of the world.

7.46 p.m.

Mr. McKEAG: I do not profess to be an expert on air services, and therefore I do not propose to follow the last speaker through the labyrinthine pathways which he has so exhaustively and elaborately explored. Nor do I propose to follow the general trend of the Debate this evening, which has been largely concentrated on a contemplation of what would be the position of our aircraft in the next war, which all parties seem to be agreed is becoming more and more imminent, except to say that it is indeed a most tragic and lamentable thing that in this year of grace 1933 the British House of Commons should be accepting the probability of another world conflagration in the near future with such remarkable equanimity.

I only want very briefly to examine one aspect of the Estimates and to mention two points in connection with them. That aspect is the subsidy to Imperial Airways, Limited, amounting, I believe, to a gross sum of over £500,000 per annum. That is a very large subsidy, and I do not know what measure of control the Government exercise with regard to this company. Indeed, I do not know whether any control at all is exercised. Whatever may be the position in this regard, however, I submit—and I think it will be conceded by the House—that where such a large amount of the taxpayers' money is given to a private undertaking by way of subsidy, steps should at least be taken to ensure that that undertaking is not operated in a wasteful or profligate manner.

There is, I believe, some disquiet in certain quarters as to whether this subsidy is being used by Imperial Airways to the best possible advantage, and I would like to ask the Under-Secretary of State if he will take steps to satisfy himself that every effort is made by Imperial Airways, Limited, to eliminate extravagance and waste. A subsidised concern is very apt to become overridden with unnecessary officials, and if the Under-Secretary of State will make investigations he will probably find that the number of those employed by Imperial Airways in managerial and official capacities is out of all proportion to the number of men employed on purely productive work. I think the House is entitled to ask that real vigilance should be exercised by the Government in this matter, having regard to the very large sum of over £500,000 per annum which is paid to that company by way of subsidy.

I would like next to ask the Under-Secretary of State if he is satisfied that proper treatment is being meted out to the rank and file of this company's British staff in Egypt and elsewhere. I ask that question because I understand—and here let me say that I am not entirely without information—that the English members of the rank and file of this company in Egypt are worked in such a way that they are contemptuously referred to by the natives as the white wogs of Egypt. It may be in the recollection of some Members of the House that the term "wog" in Egypt means the lowest type of native slave. Obviously, this sort of thing can only be very damaging indeed to our prestige in Egypt, and here again I would ask the Government to exercise real vigilance. Clearly, in any concern where there are too many bosses it is inevitable that there should be inefficiency and hardship created to the rank and file. I have endeavoured to make these two points in very moderated terms, but I ask that the Under-Secretary of State should take notice and make such investigations as will satisfy him, on the one hand, that not only are there not extravagance and waste, but that there is proper treatment meted out to the rank and file of the British staff of this company in Egypt and elsewhere.

7.53 p.m.

Rear-Admiral SUETER: I should like, first, to congratulate the Under-Secretary of State for Air on the able way in which he has put forward these Estimates. We always take great interest in him, because he is a practical airman, and I think he handles air matters very well indeed. But this year I am profoundly disappointed with him and with the Noble Lord the Secretary of State for Air, because they have let the older Services get away with too much of the swag or

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with what the right hon. Member for Carnarvon Boroughs (Mr. Lloyd George) used to call too much of the loot. This year they have let the Navy get away with £3,000,000 extra and the Army with £1,500,000 extra, while the Air Service is reduced, according to the figures given us by the Under-Secretary of State, by some £340,000. They have stopped a school of flying instruction and reduced the number of personnel by some 1,000 men.

When we consider all these defence problems, we must bear in mind that before the War the Navy and the Army were responsible for the defence of this country and the Empire, but during and since the War the Air Force has come into being, and one naturally asks oneself, Can the Navy prevent an aerial bombardment of London; can the Army prevent an aerial bombardment of our great manufacturing centres; can the Army and Navy prevent an aerial bombardment of our dockyards or even our homes? Surely home defence should be our first consideration. We could not carry on a war if our great cities, our manufacturing towns, our dockyards, and our homes were being bombed; and if it is accepted that home defence should be our first consideration, then the air becomes our first line of defence.

If hon. Members look at these Estimates, they will find that £108,000,000 is devoted to defence purposes. The Navy gets £53,000,000, the Army nearly £38,000,000, and the Air £17,500,000; that is to say, one-sixth of the total amount of money allowed for defence purposes is for the Air. The Navy and the Army cannot protect us in any way from aerial bombardment, and I submit that it is quite wrong that our homes should be open to bombardment from the air without any adequate protection. There is something wrong with these Estimates, that the air should get only one-sixth of the total amount, that we are going to vote £108,000,000 in this House, and we have not even our homes protected. I submit to every Member of this House that there is something wrong in the framing of these Estimates, and that is why many Members join with me in asking that there should be an unbiased committee set up to go into the whole problem of defence. I am certain that if that were done, and they took the air on its merits, they would see that the air got more than one-sixth of the total amount allowed for defence. I am very disappointed indeed that the Under-Secretary of State and the Noble Lord the Secretary of State for Air have not dug their feet in and got more money this year for the air.

May I approach this problem from a different angle? During the War we lost some 6,500,000 tons of shipping due to the German submarines, and on several days in the Mediterranean in 1915 we lost £2,000,000 worth of shipping a day. Suppose we had had our ships open to air attack as well as to submarine attack. We had to feed London by ships going up the Channel, and we could only feed London through its own port. We had these ships going up the Channel, and if hon. Members will look at the chart of our foodships and our trading ships that were sunk by submarines, they will see them all in the approaches to the Channel. If we had had hostile aircraft as well bombing those ships, we should have been in a very bad way in the War. At one time we had only 10 days' provisions in this country, and if we had had air attack as well as submarine attack, if we had had aircraft dropping bombs and locomotive torpedoes on our food ships, we should have starved in this country.

Therefore, I would say to the pacifists that what we are out to do is to try to protect their food coming up Channel, and I submit that at least we ought to have a one-Power standard in the air. Nobody can say what is going to happen in Europe. This week-end we were deluged in all the papers with most alarming statements about the Polish corridor, and even in the "Daily Herald" yesterday I saw that war was going to come in Europe in a very short time. I think it is prudent for us that we should have at least a one-Power standard in the air for that reason alone, because we never know that we shall not have to hold the balance in Europe.

We hear a great deal in these Debates about doing away with naval and military aircraft and having an international air force at Geneva under the League of Nations. Would that be in the country's interests? I submit that it would not. The League of Nations at the moment cannot define what an aggressor State is, and one of the delegates at Geneva said, "You cannot define what an aggressor State is, so you had better bomb both sides from the air." It would be against our interests to have a League of Nations military air force. Suppose we had serving in it some of our own nationals. Would they be called upon to bomb Portsmouth, and if they refused, would they be shot for refusing to do their duty? The whole thing is impossible. Also if we did away with the naval and military air forces and had a League of Nations air force, we would abrogate our sovereign rights, and I do not think there is anyone in the House who would agree to give them up.

Mr. G. MACDONALD: Certainly I would.

Rear-Admiral SUETER: We cannot give up our sovereign rights. It would be perfectly suicidal for us to do so. We are told that we should give up our naval and military air force and internationalise civil aviation. What would that mean? It would simply mean that the civil machine would tend towards military design. You could see that very easily last year at the French Aero Exhibition. We exhibited four straightforward military machines, but the French had many exhibits of civil machines which were all strengthened to take bomb rackets and to take guns. Exactly the same thing happens in Germany. There the machines swing towards a military design. It is said, "Oh, but you will have international civil aviation, and pilots would not learn to drob bombs; they would know nothing about it." But the knowledge of bomb sights and racks is in the nations of the world, and they would soon fit up machines for the dropping of bombs. Before the War we did not have any sights at all, and we had to drop bombs by hand.

It is nonsense to say that civil machines cannot be turned into military machines very quickly. The United States delegate at Geneva said that they had 11,000 machines, and that only 74 were of any military use. I have never heard such nonsense talked since I have had anything to do with the Air Service. During the War I fitted up school machines with bombs, and we sent four aerodrome machines to Friederichshafn, and my gallant naval service men destroyed one Zeppelin and part of a building there. It is idle for people to say that these machines cannot be easily converted to military use. Of course they can. It is really rather ridiculous to talk about internationalising civil aviation. The only way that you can stop bombing from the air is to do away with the whole of naval and military aircraft and all civil machines. That is impossible, for you cannot put the clock back 25 years. People say, "It is inhuman to drop bombs." There is no difference between a bomb from an aeroplane and a six-inch shell from a ship. It is not considered inhuman to fire a shell from a ship.

Air warfare is very humane indeed. Look at what is happening in Jehol. There, instead of the war going on for a long period, the Japanese are driving the Chinese before them with aeroplanes that drop bombs, and with machine guns. They are driving the Chinese ahead of them, and they will get a better control in Jehol and Manchuria than it has had for the last 50 or 60 years. The Japanese are a civilising force and will do a great good in the Far East. If the war had gone on for a long time without military control in the air, thousands and thousands more lives would have been lost. It is much more humane to have aircraft for keeping proper control than it is to have them for restoring peace when peace is broken. Would the internationalisation of civil aviation help us in any way with our civil machines in this country? I submit that it would not. We lead the world in design of machines. We have the finest designers and constructors and engine builders. If they were hampered by international control it might stop development. We have got the three great records in this country, the altitude record, the long distance record and the speed record, and we do not want any interference with our civil aviation.

If we look at the chart we see what a wonderful position we are in for developing great air routes. We have already developed one from this country to Egypt and Africa. We are developing one to Karachi and India, and it is hoped to extend it down to Australia, and thence on to New Zealand, and to have a branch up to China. But I think the Air Ministry ought to allow more money for the development of these great air

[Rear-Admiral Sueter.]

routes. What has been done to help the development of the Atlantic air routes? It is most important that this country should lead the way in developing these great air routes, which do a tremendous lot for civilisation. I was glad to hear the Under-Secretary say what good they were doing in developing the air lines and linking up the lines in Australia and Canada and Africa. These lines bring people down from up country to the centres where men and women live, and they are doing a wonderful lot of good work in opening up distant trading.

To allow something under £500,000 for civil aviation is not enough. The Ministry ought to send for Sir Eric Geddes, the able chairman of Imperial Airways, and say to him, "You can have a million to develop these great air lines." He told us in Committee upstairs that air travel is becoming so safe that an air accident insurance policy can now be obtained at exactly the same rate as a similar policy for travel by liner or train. That is a great feather in the cap of Imperial Airways. I think the Under-Secretary ought to encourage Imperial Airways more than he does. I ask the Under-Secretary to urge the Prime Minister to get back to the air policy that was laid down by the Lord President of the Council when he was Prime Minister in 1923. The right hon. Gentleman then promised us a one-Power air standard, and said that our squadrons for home defence would be 52. But after 10 years' effort there are only 42 squadrons. I ask the Under-Secretary to press the Government to carry out the policy laid down by the Lord President. If we had that and more help for civil aviation, I believe that the whole country would benefit.

8.9 p.m.

Mr. EVERARD: I would like to say how completely I am in agreement with the words which have fallen from the hon. and gallant Member for Hertford (Rear-Admiral Sueter). As he stated, we have in this country to-day the three records which really count in the air, and I am sure that the Under-Secretary will congratulate the Air Force and those who are responsible for the manufacture of the engines and machines on the possession of those three records, which are the only records worth holding in the air. I want to state reasons why in my opinion more money should have been expended on the Air Force for the defence of this country and of the Empire. During the last year I have been privileged to travel by air through Europe several times, and to parts of the Empire where the Air Force is in operation, and I must honestly say, without wishing in any way to exaggerate, that I have been amazed at the extension, in practically all the European countries through which I passed, of their air forces and of their hangars and of other requirements for military aviation.

The people of this country would do well to realise that we are no longer an island Power, that the advent of the petrol engine in an aeroplane has done away altogether with our security as an island. From the point of aerial attack there is no difference whether there is 20 miles of channel between this country and the Continent, or whether there is not. There are aeroplanes capable of flying practically non-stop from Great Britain to the Cape. Of course, the whole complexion of the defence of this country has been altered by the advent of the petrol engine. For that reason I submit that there should be a redistribution of the amount of money which this country provides for defence between the three great fighting Services. I am convinced that the Air Force, being a new and young Service, does not get that credit and that authority in the defence of this country which it rightly ought to have with the Committee of Imperial Defence. At school the older boys can often get the best of the younger ones. It may not be that the older boys are better in any way than the younger.

I suggest that it is of vital importance that we take steps in this House to put before the Government our sincere belief that this matter should be considered with a view to an alteration of the allocation of money between the three great Fighting Services. I do not think I am over-estimating the opinion of this country, when I say that the bulk of the people are bitterly disappointed with what the League of Nations has been able to achieve. For that reason, because of what we have seen in the recent dispute between China and Japan, and because we know in our hearts that if there is aggression between one great country and another, those countries are going to fight whether there is a League of Nations or not, this matter must have our urgent attention. It is of vital importance that every person in this country should consider how best we may be enabled to protect ourselves and those people who look to us for protection.

I would use the same argument as the Government used over the tariff question. If we had a one-Power standard, that is to say an Air Force equal to the Air Force of any other great Power in the world, there would be far more likelihood of seeing a reduction of air armaments in other nations than there is while we remain the fifth Power. When the Government got the tariff, they said: "We are going to use the tariff as a bargaining power." While we had no tariff other nations perpetually raised their tariffs, but as soon as we protected ourselves with a tariff other nations came along and said: "Let us come to some agreement for a reduction all round." The same argument holds good in the air. While we are content to remain the fifth Power in the air other countries with larger air forces will say: "Why need we bother? We have a stronger air force than the British Empire, and we can take no notice of the programme put forward for a reduction in air forces." But as soon as we say that we intend to have an air force equal to that of any other country we shall be able to go to Geneva and say that unless other countries reduce their air forces we must, for the protection of our country and the outlying parts of the Empire, build an air force equal to those of other countries. The result, in my opinion, would be a general reduction of air forces throughout the world. It is a good argument and certainly more likely to carry out a reduction in air forces than anything the Government have put forward.

One word on the subject of civil aviation. It is quite clear that if you are going to reduce seriously the small number of fighting aircraft of the countries of the world the large air liners will be of great importance. It is exactly the same thing as when you reduce the forces of a country, as in the case of, Germany you see enormous numbers of so-called police on duty, and, if you do away with the ships of a navy, you see a merchant service able to take their place. So it is with the air force. But it has a peculiar difficulty for us. If you examine the numbers of large liners of the larger countries we have 33, Germany 186, and France 270. If we deplete our fighting aircraft seriously we are going to hand over air power in the proportion of those figures. Moreover, the British Empire is world wide, and some of our liners may be in one part of the world and some in another. All the great European countries have their air services to a large extent in their own country. France, Germany and Italy would always command a larger number of air liners than it would ever be possible for Great Britain to command at any one time, and, therefore, as far as the British Empire is concerned, it is more than ever important that we should not agree to any proposal which even if it gave us equality, would mean that our units because they were distributed over the whole world would be unable to mobilise in a short time while other countries would have the whole of their resources available for an immediate attack upon this country.

When I was in Transjordan and visiting the Air Force there, I was struck with the precautions which are taken, so far as the Air Force is concerned, for punitive expeditions against rebelling tribes. Reference has already been made to the enormous saving in expense which the Air Force in these districts has been able to make, but I put this point of view to the House. Very seldom, indeed not at all during the last year, has bombing taken place for punitive purposes. Pamphlets are dropped in every case, and very often a loud speaker is used to give warning to the tribesmen that if they do not behave themselves aircraft will take action against them, and when action is taken it is only by means of a machine gun, or two machine guns, mounted on aeroplanes to scatter the rebels who are creating the disturbance. May I say this to the Under-Secretary, that some of his armoured cars in Transjordan, which I understand have been through many campaigns, including the Russian campaign, were getting a little shabby and might possibly be replaced by some of a newer type.

In regard to the civil side of aviation the hon. Member for East Wolverhampton (Mr. Mander) asked some questions about Imperial Airways. He should know, as I think the House generally

[Mr. Everard.]
knows, that we pay less than almost any other country in subsidies to civil air lines, and anyone who has travelled in one of the new Hannibal type of Handley-Page aeroplanes which are used by Imperial Airways will agree that there is nothing comparable with them in the world for comfort, silence, keeping time and for general efficiency. Whatever money we may spend, and it is a large sum, £600,000, on the development of these air routes is money well spent, and it is now beginning to give a reward. When I was in Cairo the officials of Imperial Airways told me that they are now carrying over twice the number of passengers they carried in the corresponding period a year before.

Let me put one or two questions with regard to the weather reports. I cannot agree that the meteorological side of the Air Ministry is not good. I think the weather reports are good and easily obtainable, but there is one question I should like to ask from the point of view of civilian flying and club flying. A very valuable service is rendered from the Heston Aerodrome by the air reports which are sent out every few hours. I understand that the Air Ministry is going to provide a similar station at Manchester; there is in the present Estimates a sum of £1,000 for that purpose. Can the Under-Secretary give any assurance that the air reports at Heston will be continued. There is some question as to whether they may not have to be altered in some way, but I can assure him that from the point of view of clubs as far north as Newcastle it is of enormous advantage and saving to be able to listen-in to these reports instead of having to worry the Air Ministry.

Now that we are having a larger type of private aeroplane to carry five or six people there ought, I think, to be some reconsideration of the methods of licensing. They are all right for men who fly themselves and by themselves. The "B" certificate is all right for a man to take one or two people in an ordinary small light aeroplane, but when we get to the larger machines I think there should be some other method of licensing. There are a great many people with "B" licences, some of whom could not easily find their way across country and would not be altogether safe, in my opinion, in charge of a large type machine carrying six or seven people. Yet in fact there is nothing to-day, except the regulations of the Imperial Airways themselves to prevent a "B" licence holder from flying the Hannibal machine to-morrow morning. I believe that apart from those regulations the "B" licence pilot is in a position to undertake to fly almost any type of machine.

It is, I think, generally known that in the case of a great many countries abroad, flying permits are required. It is not a bad system. Anybody who wishes to travel abroad by air and to pass over those countries knows that he has to get a permit and the permits are not difficult to obtain. But I would draw the hon. Gentleman's attention to the position of Turkey in this respect. In Turkey a permit is required, but they will not give you a permit in writing. In the case of other foreign countries permits are given, either by the Consulate in London, or by some other office, in writing and on an official form. In my own case I was travelling across Turkey, and, although I had a permit from the Air Ministry to fly there, when I landed at Konya I was told that no permit had been received for my machine. Had I been able then to show something in writing to the effect that I had the privilege of flying over Turkey I should not have been held up in that not very beautiful place for over three hours.

I would also like to ask my right hon. Friend to take steps through the Colonial Office to see what is being done to assist private flying in Palestine and Egypt. Apparently Palestine is to be regarded as the only really rich country in the world at present. I read a wonderful descriptive magazine about Palestine the other day showing how the budget of that country was balanced and how it was the only prosperous part of the world to-day. If that be so, I am sure my hon. Friend will use his influence to see that at least they provide one or two landing grounds for aeroplanes. It is absurd that if any civilian wishes to go to Jerusalem by aeroplane he has to land at the Air Force station 30 miles away from Jerusalem. There is a smaller Air Force landing ground nearer, but there is a site where a municipal or private landing ground could be made, and in my opinion such a scheme could be pushed on if the Air Ministry took up the matter.

In former years I have raised the question of National Flying Services and have always urged upon the hon. Gentleman the desirability of looking into the arrangements between the Government and National Flying Services. It has not been possible to carry out those arrangements owing to lack of funds, and it will be seen that the subsidy figure does not occur in these Estimates. Personally, I think that is a pity, and I hope that steps will be taken whereby the clubs affiliated to National Flying Services may be able to get this subsidy for training people in their own areas. It would be a great disaster if, in some of the big centres of this country, where National Flying Services have been operating, these clubs should cease to exist. I hope the Air Ministry will be able to make some other arrangements, possibly of a local nature, to enable these clubs to continue.

Mr. DEPUTY-SPEAKER: I hope the hon. Member will not anticipate the Amendment which is to be moved.

Mr. EVERARD: I am obliged to you, Mr. Deputy-Speaker for reminding me of that fact, and I do not wish to pursue that subject further. I can assure my hon. Friend the Under-Secretary that I join with other hon. Members who have spoken in offering him congratulations on the excellent way in which he has presented these Estimates.

8.30 p.m.

Captain CUNNINGHAM-REID: I listened with the greatest interest to the lucid and comprehensive statement which we had from my hon. Friend the Under-Secretary on the introduction of these Estimates but as he progressed I thought I noticed a slight note of restraint. I somehow felt that there were times when he would have liked to have said more to the House, but that in view of his position it might be unwise to do so. Perhaps he would have liked to have said to the House that in the consideration of the total money voted by this House towards the defences, the Air Force is invariably treated as the Cinderella of the Fighting Services. For the few minutes that I intend to occupy the time of the House I should like to attempt to show that this treatment ludicrously resembles the attitude towards gunpowder that at one time was adopted by those people who considered themselves handy with the bow and arrow. The value of the Air Force in policing difficult countries and, for that matter, seas and the relative economy of air units as compared with other units is already too well-known by hon. Members to need any elaboration.

It is also well known, indeed it has practically become a platitude, that the war of the future will be in the air. Though it is a platitude it is none the less true, and at any rate wars of the future will be settled in the air. My hon. and gallant Friend who spoke a short time ago drew attention to the interesting situation that arose not long ago in Manchuria. I think that example went to show that the aeroplane has come into its own as a war weapon. I, with many others, was surprised at the amazingly rapid advance made by the Japanese only the other day, and I was interested to note that the Japanese themselves attribute their success on that occasion to the efficiency of their air arm and the demoralising effect which it had upon the enemy.

Only the other day I came across some interesting German statistics concerning the last War. I notice that they claimed to have dropped on this country during the War 300 tons of bombs, and no doubt they are in a position to know. I ask the House to consider the enormous strides that have been made in aviation since that time, the technical advance of both machines and engines, the far greater range which the modern aeroplane possesses, and the large increase in the number of machines that are to be found on the Continent; and I think the House will agree that if the Germans were able to drop 300 tons of bombs on this country during the War, such a figure, in the event of any future aerial attack, will prove to be absurdly small. I should not be surprised if that number of bombs could be dropped on the country in 12 hours. This is a fact which is not often disputed, but it annoys me considerably when I hear responsible people blindly telling us that such a contingency would be circumvented because of future disarmament.

There is a great deal of loose talk about Disarmament. I hope that I desire universal disarmament as passionately as any hon. Member, but, on the other hand, I feel very strongly that to make a fetish of words will not help the situation. There has been recently

[Captain Cunningham-Reid.]

a great deal of juggling with the word "unilateral," and the juggling theorists are now throwing up what they term "a convincing lead." We have heard a great deal about a convincing lead. If that lead meant that we were going to see to it that we did not poke our noses into the business of other countries, it would be all to the good, but that is not what they indicate. When they glibly talk about a convincing lead, they mean this nation has to continue to give convincing leads in Disarmament to other nations. Why in Heaven's name should we? Who cares whether we do, anyhow? Certainly not Germany, and certainly not France, and I presume that these are the two nations on which we have our eye when we talk about giving a convincing lead and an example. Neither of these two countries is in the least frightened of us. They know that the one thing that this country does not desire is war. They know that perhaps this is the only country in the world that could gain no advantage whatever from war. The only country that they are frightened of is each other.

Consequently, I believe that if we were to continue our convincing lead to its logical conclusion and this nation were to disarm itself to the very last man, ship and aeroplane, it would not have the slightest effect upon the arms policy of either France or Germany. On second thoughts, I declare that in all probability those two countries would resent any further disarmament on our part, for they are looking to us for security in any time of trouble. Consequently, I suggest that we finish once and for all with all this humbug and that we leave behind us these Socialist-cum-Liberal day-dreams and that we get down to realities that are more in keeping with the circumstances. Further than that, let us face the fact—and I suggest that hon. Gentlemen on the Front Bench opposite should face the facts also—that there is no hope for a long time to come of sufficient international disarmament to prevent war. I have always been led to understand that the main idea of Disarmament is to prevent war, though recently one has wondered whether that is so. But things being as they are, what would encourage a European war in future more than anything else would be a vulnerable and impotent Great Britain, when we should no longer have to be reckoned with. Though it is a serious statement to make in the House, I am sure that these convincing leads will sooner or later lead to war. The net result has been that our land is now vulnerable from that attack which we fear most.

In what I am about to say, I speak with some slight practical experience, having taken part in one or two raids myself. It is to-day no fairy tale that this city of London could within 20 minutes be reduced to a smouldering collection of ruins over which would hang a cloud of poisonous vapours. Here I part company with my hon. and gallant Friend the Member for Wallasey (Lieut.-Colonel Moore-Brabazon) who said that such a contingency was unlikely. I would rather join issue with the Lord President of the Council, who, in his eloquent remarks some time ago, suggested that what I have just said was certainly a possibility. In substantiation of what I have said, I would ask the House to consider the number of aeroplanes that are to be found on the Continent to-day and the number that existed just before or during the War and note the enormous increase. I suggest that we should next contemplate how every one of those machines, civil and otherwise, down to the smallest single-seater monoplane, can be converted into a bomber in a very few hours. Then I would ask hon. Members to compare the unstrategic position of our capital from the geographical point of view and that of aerial attack, and compare its position on our coast with the central and ungetatable position of large European capitals such as Paris, Berlin and Rome. It will then be seen, taking into consideration the enormous increase in machines since the War and the unstrategic position in which we find ourselves in this country, especially so far as the capital is concerned, that if a hostile fleet of bombers were allowed unmolested and in sufficient numbers to bomb this city, the war would be over in no time and we should be lost.

I would point out that we are in a peculiar position. London is the main artery, indeed the only artery, to the whole of this country. All our communications, all our mobilisation orders, go out from London, and if a colossal fleet of bombers came over London and disorganised it completely what earthly use would our Army be then? Modern conditions of warfare make an army in England, at any rate for defence purposes, completely useless to-day, and that being so I suggest that it may be that there is there the germ of an idea for effecting immense economies in the future. I would suggest that if such a saving were effected, part of those economies could be used, with very great advantage to the safety of the nation, in increasing our air arm as a defence against the catastrophies which I have attempted to envisage. My last word is this. Is it not possible for us to eradicate our inherent bigotry on this particular subject? Could we not, for a change, move with the times and turn more completely to our Air Force, both for security and for economy, at home and abroad?

8.47 p.m.

Mr. SIMMONDS: I think the most forceful, the most eloquent and, if I may respectfully say so, the most inspiring speech to which I have listened in this House fell from the lips of my right hon. Friend the Lord President of the Council when he spoke not long ago upon the horrors of air warfare. In the course of that magnificent speech he placed on the shoulders of old and young alike certain responsibilities. In the light of what has been occurring at Geneva in the last few weeks I think it is germane for one of the younger generation to voice the abysmal disappointment we feel at the phantasy of make-believe in which all the delegations, our own included, have wallowed at the Disarmament Conference. I turn to the "Times," which reports my Noble Friend the Secretary of State for Air as saying:

> "In the view of my delegation any such scheme"—

That is, a scheme for control and disarmament generally—

> "must satisfy at least the following conditions. In the first place, it must be so framed as effectively to prevent all possibility of the resources of Civil Aviation being used for military purposes in the event of an outbreak of hostilities."

I would submit in all sincerity that that is a frankly futile hypothesis. There are two definite propositions with which I think nobody will for one moment disagree. The first is, as my hon. and gallant Friend the Member for Hertford (Rear-Admiral Sueter) has said, that if an aeroplane can fly it can bomb. The second point to which I would draw my right hon. Friend's attention, is that however perfect the control of civil aviation may be prior to a declaration of hostilities it becomes worse than futile as soon as hostilities break out. If we bear those two premises in mind it seems that one point alone can emerge when discussing air armament, and that is that if the nations are willing to forego bombing from the air then all our difficulties of the control of military and civil aviation are wiped out, but if that is not possible it is very difficult indeed, unless one is going to fall back on this hopeless phantasy, which can lead us nowhere, to see that these discussions can usefully proceed any further.

I would like to turn from the pseudo-military side to the purely civil side. If we offered the Air Estimates to any experienced foreigner who happened to be in this country and asked him to express some views upon them I feel certain that one point he would make would be this: How comes it about that in a volume devoted almost exclusively to naval and military aviation there is sandwiched in between the two a scant reference to Civil Aviation? That, unfortunately, is a story which for this country, and, indeed, for the Empire, is having very bitter consequences. Civil air transport can be divided into five categories. First we have the clubs, which will be discussed later, then we have private clubs, taxi services, inland air services and external services.

Possibly the House will forgive me if I say that in my observations here I am endeavouring to speak with the information which I have culled over the last 10 years first as a member of the Airworthiness Department of the Air Ministry and latterly as an aircraft manufacturer, and therefore that the feelings which I express have been borne in on me in the day-to-day routine of the aircraft world. Clubs and external air lines are the two subdivisions which have been handed over by the Air Ministry lock, stock and barrel to somebody else, and those are the two sides of civil air transport which have flourished. I was sorry to hear my hon. Friend the Member for Durham (Mr. McKeag) who spoke from the Liberal benches, casting some aspersions on Imperial Airways, because,

[Mr. Simmonds.]

speaking with some little knowledge both as an engineer and as a frequent passenger on Imperial Airways Services, I can find nothing but praise for the magnificent organisation which that company has built up.

The House may possibly be interested to know that in the course of a flight from Paris to England about a fortnight ago one of my fellow passengers who got into conversation with me told me that he was the new Minister for one of the South American Republics. He had just come over from America to Cherbourg by one of the express Atlantic liners and had then gone on to Paris, but although he had not ever flown before the reputation of Imperial Airways was so great in South America that he determined to finish his journey to England by proceeding from Paris to London by our own British air line. I can think of no higher tribute than that a gentleman of such eminence should have his first flight when taking up that important diplomatic position.

Perhaps I might interpose an anecdote which will be of use to those who, possibly, are timid of taking to the air. In the course of a journey which I had to make late last year by Imperial Airways a veritable gale was blowing on the ground. Had I needed to proceed by the antiquated and obsolescent method of transport from Folkestone to Boulogne that day, the report in the "Times" newspaper would have filled me with dismay. What did we do? We took off from Croydon and immediately climbed to a height of a mile and a-half, 8,000 feet, and there we proceeded with absolute peace and calm, and I was able, addressing the soup that was served to me in the course of the excellent luncheon, to observe: "Surely no soup served to me in a railway restaurant-car was ever so peaceful as thou." That is typical of the immense efficiency of that organisation. I am satisfied that, should my hon. Friend the Member for Durham have any real grievance, it would immediately be investigated by the management of the company.

Let me turn from the two happier sides, those that are free from Air Ministry control, in its day-to-day application, to those less fortunate aspects, the air-taxi service, the inland services, and private flying. These three aspects of flying are suffering from the intolerably rigid interference of Air Ministry regulations and inspectors. We so frequently hear that internal civil flying is unnecessary in this country, that the climate is not quite suitable, that the size of the country does not call for it, or that the train service is so excellent. All these are poor excuses made in an endeavour to cover up our own lack of pushfulness in the operation of a new development. The other day I was in a very important centre on the North-East Coast, and I required to get to Preston, an important centre on the North-West Coast. The best train that I could get to cover the distance which, as the crow flies, is about 70 miles, took no less than six hours, and yet we say that an air-taxi service, which would have got me there in 45 minutes, is not worth while.

Mr. BUCHANAN: The hon. Member was lucky to get there so soon.

Mr. SIMMONDS: Very likely I was lucky, but I am giving the very best time in which you could do that journey. I dare say that you could take twice as long, if you did not exercise good care. We have this harsh, rigid attitude of interference in civil aviation from the Air Ministry. One may fairly ask what is the civil aviation department of the Air Ministry? Having investigated that question, anybody would come to the conclusion that the department is nothing more nor less than a grandiose filing department, situated hard by in Whitehall at a point where the red tape is thickest, simply purveying the decisions of the military departments, so so far as their wishes for civil aviation are concerned. Let me give a slight example. If I wanted an aircraft investigated as to its strength, I would have to hand it to the military establishment at Farnborough. If I want it tested, I would have to send it to a squadron at Martlesham Heath. If I had to discuss a matter of inspection, I would go to yet another military department at Alexandra House in Kingsway.

All these departments deal with what is going to be the lifeblood of our Empire. Not only will the military side of the Air Ministry refuse to allow the civil aviation department to have its own view, but it even prevents that department from co-ordinating the various military views as they are collected. For this purpose there has been set up in the Air Ministry a special section, R.D.A.C., whose job it is to co-ordinate all the restrictions that can be thought of, and to press them upon the wretched civil aircraft manufacturer. One of the most important duties of that department is to have scouts perpetually travelling over the whole of Europe, finding out any new repressive idea that different countries may have, in regard to civil aviation.

Mr. BUCHANAN: Surely, never.

Mr. SIMMONDS: Indeed, I can tell the hon. Member for Gorbals (Mr. Buchanan) that on the last two occasions in the last four months that I have flown from this country to the Continent, curiously enough, an officer from that department, going to find some new regulation, happened to be a passenger on the machine.

Mr. BUCHANAN: Was that on the road to America, and what did the hon. Member carry in the aeroplane?

Mr. SIMMONDS: No, this was when flying normally from this country to the Continent. There are plenty of regulations that we have not yet adopted, and I hope that we shall never adopt the one suggested by the hon. Member. Let us look at the matter from the point of view of the motor industry. There is no question that, in a few years time, unless it is completely strangled by the Air Ministry, civil aviation will develop into as important an asset in our national life as the motor industry. Suppose Sir Herbert Austin had to send his next 12-horse-power model down to Lulworth Cove to the Tank Section for it to go through a manœuvring test; suppose he had to send the chassis to Woolwich Arsenal to have it investigated as to strength, the engine to this establishment and the carburettor to that. The whole thing would appear so farcical that it would not be tolerated for a moment.

Why then do we tolerate this position in civil aviation? Simply because civil aviation started from small beginnings at the end of the War, when it was not necessary to set up a separate department. Now civil aviation has grown, and it is absolutely essential that the Air Ministry should realise the changed position. With the repressive attitude, we have unfortunately the consequence that one might expect, and that is, that it is ignored. Very frequently one gets more at the truth if one notices a little slip than if one listens to statements of high policy from a Minister. On the 6th July last, I asked the Under-Secretary of State:

> "The number of British aircraft that have been set on fire since 1918 by night landing flares carried on the aircraft; and the number of deaths resulting therefrom."

My right hon. Friend replied as follows:

> "There has been no recent fatal accident of this kind."—[OFFICIAL REPORT, 6th July, 1932; cols. 425-6; Vol. 268.]

The "Aeroplane" newspaper, dealing with this matter, made the apposite remark:

> "What about the fatal accident at Jask, when two passengers were killed."

That, however, was only a civil aircraft. When the Air Ministry refer to British aircraft, they think solely of service aircraft, quite rightly, and when my right hon. Friend was looking up the various accidents that had occurred, it did not strike him at all that "British aircraft" included British civil aircraft.

It is a very keen point throughout the aircraft industry that we are not, on the civil side, getting fair and reasonable treatment from this preponderatingly military organisation. One might fairly ask, is this repressive attitude a definite policy on the part of the Air Ministry, or is it simply the enthusiasm of some junior officials? Unfortunately, we know the answer, because some couple of years ago a committee was set up, on which some of the most able members of the senior Air Ministry staff served, and also some of the most eminent men in the industry, and, as a result of the deliberations of that committee, it was unanimously decided that a certain lightening of the restrictions on civil aircraft should immediately take place. But, as soon as the military mind saw that it was to lose some of its power over civil aviation, the whole report was jettisoned, and to-day we have a truncated committee which is scarcely permitted to say yea or nay. Therefore, I would, without any exaggeration, say to my right hon. Friend, and to all hon. Members, that the British aircraft industry is thoroughly roused about the manner in which it has been

[Mr. Simmonds.]

treated on the civil side. Indeed, the matter was so much talked of in air circles that the Royal Aeronautical Society, the most important aeronautical scientific body in the world, called a special meeting, at which views were very freely stated on this subject.

It is indeed time when the Air Ministry should review its attitude on this important matter. We have had in the last few weeks a Bill—I believe that many right hon. and hon. Members think it is a miserable Bill—for the co-ordination of London transport; but, if London transport needs co-ordinating, no less does the whole attitude towards transport throughout the country. If a Ministry of Defence is necessary for all the defence services, so, surely, is a Ministry of Transport which would cover land, sea and sky. I realise that we cannot get that overnight, but, until we can arrive at that hopeful——

Mr. DEPUTY-SPEAKER: I must remind the hon. Member that he is now touching on matters which would require legislation.

Mr. SIMMONDS: I defer to your Ruling. For the moment the Air Ministry could, I suggest, be very helpful if it would take these three steps: In the first place, we should have somebody in authority dealing solely with civil aviation—an Under-Secretary, it may be, but someone who would be thinking out these problems, giving some guidance, and putting some drive into the administration of civil aviation. In the second place, it is essential that the Air Ministry should hand over its present powers over civil aircraft in the lesser categories—I am not here referring to the big air liners—to some body such as Lloyds, or some other organisation of that kind, who have certain truncated powers at the moment. I am not here referring to type aircraft, but all subsequent aircraft, after the first type machine has been approved by the Air Ministry, should be taken entirely out of the ken of the Air Ministry organisation. In order that that should be effective, we should have to have third-party insurance, which would mean that Lloyds or the underwriters meeting together in some corporation would be able to have their hands on the whole of British civil aviation.

Although I have tried to voice, somewhat ineffectively I am afraid, the fears of the British aircraft industry on this subject of the attitude of the Air Ministry to civil aviation, yet we are not in any way dismayed. Progress has been made in certain directions, and we trust that the co-operation, late though it be, of the Air Ministry may contribute to this immense development, which can not only knit together the different parts of the Empire, but can also, by providing freer communication between one foreign country and another, prevent misunderstandings and enable us to get more together mentally. If my right hon. Friend, during the remaining years that he is at the Air Ministry—and may they be many—would divert some of the energy and some of the constructive mental effort that he has given to the service side into the civil side of flying, both the country and, not least, this House, would indeed be grateful.

9.10 p.m.

Sir ALFRED BEIT: In the first place, may I say I regret very much that, owing to a long-standing engagement in my constituency, I was unable to be in my place when the Under-Secretary introduced the Estimates this afternoon? Consequently, if I should express any fears which he has already allayed, or should ask for any assurances which he has already given, I hope he will treat me with indulgence. I propose very briefly to address myself to certain aspects of civil aviation. The first is one of which I have personal knowledge, namely, the African service operated by Imperial Airways. My hon. and gallant Friend the Member for Chippenham (Captain Cazalet) and myself were the first Members of this House to use that service, and, indeed, we were the first individuals who paid for passages in the ordinary way. That was through the heart of tropical Africa at the height of the rainy season, and we were both enormously impressed by the excellence of the aircraft, the comfort, the adequacy of the ground organisation, and the skill of the pilots. That trip was taken only a month after the rather lamentable stoppage due to the violence of the weather which caused the first planes to become befogged and the pilots got lost. In spite of that bad beginning, it is gratifying to learn, therefore, that in 1932 less than 3 per cent. of the services of Imperial Airways were cancelled owing to bad weather.

Since then there has been a vast improvement in the service all round. There are bigger and better aerodromes, and more of them. In the very rainy districts the aerodromes are better drained and better surfaced. There are better meteorological arrangements, and more wireless direction finding stations. The most noteworthy improvements have been made in Rhodesia, but it is to be hoped that Kenya and Tanganyika will shortly follow suit. I understand that a general meteorological survey is planned for the whole of tropical Africa from the Sudan to Southern Rhodesia, and I very much hope that the Air Ministry will give, in collaboration with the East African Governments, such support as they can to this scheme, which I believe to be of paramount importance to aviation in these tropical districts.

A certain amount has been said on the cost of the subsidies. I think the general feeling of the House has been that the subsidy is very modest in extent. That is certainly my feeling. It is not much —£490,000—compared for instance with 217,000,000 francs in France in 1921, say, £2,500,000, or with 23,000,000 marks, £1,500,000, in Germany. In the United States the postal subsidy for 1932 was 20,000,000 dollars for inland services and 7,000,000 dollars for foreign. It is said that only a quarter of that sum ever comes back to the Exchequer in the form of revenue, so that three-quarters of it may be considered subsidy. This is rather in conflict with the statement made by a number of American air lines that they are operating entirely without subsidy and yet at a profit. The subsidy has, I think, enabled our services to be so much improved that it is really possible now to contemplate its ultimate abolition. Its efficiency may be said to have sounded its own death-knell. Lack of accidents brings more passengers and Imperial Airways are now insured by Lloyds at the same rate as surface transport. I would urge greater generosity on the part of the Post Office in the matter of the air mail contracts. I am afraid the Post Office is inclined to snuff out at its start this infant service by demanding a profit, and not to foster it so that in course of time the profits may accrue naturally. Cheaper newspaper rates, certainly in the African service, are highly necessary. It costs 7s. 6d. to send a copy of the "Times" to Central Africa by air. The only concession that has been made so far is in the rate for post cards.

We supply fuel to commercial machines, both our own and foreign, without duty when they are for overseas destinations. This concession is not reciprocated by Germany and, above all, by Iraq. I feel that in this matter there should be reciprocity all round and the same freedom should be accorded to commercial air lines as is accorded to merchant ships of all nations, which are able to purchase their fuel free of duty.

This leads me to the general question of the freedom of the air. I fail to see why innocent freedom of passage cannot be given to nationally owned aircraft, just as nationally owned merchant ships have freedom of passage outside territorial waters and freedom of passage through territorial waters to any port of their choice. I fail to see why any distinction of nationality should be made in this respect and, in the view of many authorities, the Air Convention should be amended—it would not require legislation—in such a way that complete freedom of passage should only be refused on reasonable and, above all, on stated grounds. There are three lesser, but nevertheless important aspects arising out of the subject of innocent freedom of passage. The first is the postulate which I make, that monopolies should not be granted for flying over territories. To give a small example, it is impossible at present to organise an air mail service between Southern Rhodesia and Portuguese East Africa, which is the natural outlet of that Dominion to the sea, because the Portuguese colonies have given a monopoly to France to organise air mails and commercial flying services.

We were unable to continue our services along the Persian side of the Gulf because the Persians wished us to establish an aerial corridor through the centre of their country, which we considered impracticable. The result has been that we have changed to the Arabian side of the Persian Gulf. The change over is considered satisfactory, and there is no desire to revert to the original route, but the principle arises that, although Persia is a signatory of

[Sir A. Beit.]
the Air Convention, by her attitude she caused us to abandon our former route, whereas France and Holland are to this day maintaining regular air services to the East which are following the old Persian route.

Finally, I should like to call attention to Italy's chameleon-like changes in regulations. First of all, she does not allow us to enter her territory with our aircraft coming from France, although at the time she laid down that regulation French aeroplanes were themselves entering Italy from France. She then forbade us to use the Genoa, Naples, Corfu route across Italy and informed us that the only route we could use for our eastern services would be Milan, Brindisi, a service which in winter is impracticable because of the bad weather conditions which generally prevail around Milan. We have given Italy rights to fly over Cyprus and Malta, and we have given them our good will to assist them, in so far as we can, to get similar privileges in Egypt and the Sudan. We have given Italy about as much as we can give them, and yet it seems to me that we have not had from them any fair *quid pro quo*. The right that we have to fly from Brindisi or Milan does not seem to me a fair measure of return for what we have given to Italy. The machinery for the modification of the Air Convention exists. I hope it will be possible for the right hon. Gentleman to bring his influence, and that of his Department, to bear upon the next meeting of the International Commission for Air Navigation in order that some of the irregularities and irritating restrictions may be rescinded and that we may arrive at what I am sure is the spirit of the Air Convention, innocent freedom of passage in time of peace for all irrespective of nationality.

9.25 p.m.

Mr. LOVAT-FRASER: I should be glad if the Minister would reply to two questions. Last year I raised the question of the noise caused by aeroplanes. This year I wish again to ask him what progress he has made in eliminating noise. Noise may not be affecting people inside the machines, but it is affecting people on the surface of the earth below. I have been told by experts that, noisy as the aeroplane may be now, they believe they may be made so silent as to produce no sense of a noise. I was reading the other day a book by a former Duke of Argyll in which he says that when the first steamer, the "Comet," was put on the Clyde by Henry Bell and made its way through the water, the noise was so intolerable that nobody on the boat could be heard. Is there any prospect of a similar transformation in regard to aeroplanes? The other question I want to ask is with regard to something that gives trouble in flying, namely, the formation of ice on the wings and fuselages of aeroplanes. What success has the Minister had in dealing with ice? With those two questions, I make way for the Minister.

9.26 p.m.

Sir P. SASSOON: I think the House will agree that we have had a most valuable and instructive Debate and one which reveals once again the keen, vital and well-informed interest which hon. Members take in all the varied aspects of Service and civil flying. We have listened to many eloquent speeches. We have heard a good many constructive suggestions and not too much destructive criticism, and I myself have been asked a few questions which I shall hope to try to answer to the best of my ability. As was to be expected, disarmament bulked very large in the Debate. It is a useful thing that it should be ventilated here in all its aspects but, as I said at the beginning of my speech, as long as these proposals and discussions are *sub judice* in Geneva, it is impossible for me to say anything which might prejudice them.

The hon. Member who followed me this afternoon, the Member for Govan (Mr. N. Maclean) raised a number of points, to some of which I will give an answer now, although I am sorry he is not here. He may, perhaps, read them in the OFFICIAL REPORT to-morrow. They were most of them rather small points, as a matter of fact. He asked me about the number of marine aircraft. There is provision for 28 craft used by the Service for a variety of purposes. Then he asked a question about the promotion of men in the Service, and whether it was possible for men to go the whole way up the ladder. It is very possible. In fact, the whole basis of promotion in the Air Force is very broad and democratic. Twenty-five per cent. of the permanent commissions are given to men promoted from the ranks. The hon. Member next asked me about the pay of officers and whether they could live on their pay. I should certainly say they can. Every effort is made to scrutinise the cost of messing in the different units and stations to see that officers are not charged more than they can afford. As regards the skeleton staff at Cardington, there is, of course, a small staff there collecting information, but it is only holding a watching brief, and we have absolutely no commitments of any sort in the nature of proposals for building any future airships.

We had the pleasure of listening to an extremely delightful and well-informed maiden speech from the hon. Member for Deptford (Mr. Hanley), and there was nothing in it with which I did not agree whole-heartedly. In fact, he echoed and voiced many opinions which I should have liked to include in my speech had I had time. The all-red route to Malta and Gibraltar is one. These are things we have very much under consideration. Then there is the development of flying boats which we have always done our best to foster and which will be, of course, immensely valuable in that direction. I believe the longest flight which one would have to take in connection with Empire communications would be England to Gibraltar, and if a flying boat would do that particular hop it would be immensely valuable. One of the things about which I agreed with the hon. Member was the unfortunate appellation for the particular weapon which the aeroplane possesses. The word "bombs" has a much more disagreeable sound than "shells," and it has been the cause and originator of a great deal of confused thought on this particular problem.

My Noble Friend the hon. Member for Central Bristol (Lord Apsley) showed himself rather anxious about the short service commissions and wondered whether it would be possible to have a greater number of permanent commissions. I should like to assure him that short service commissions are essential for a service like the Royal Air Force where there is so large a proportion of officers and competition is extremely keen. The type of men now coming into the Service for short service commissions could not possibly be better. Then the hon. Member raised some points about co-operation with the Army. In my speech I mentioned an occasion of such co-operation, and said how much the Air Force welcomed that kind of co-operation.

We were very fortunate to have such an extremely intresting speech from my right hon. Friend the Member for Sparkbrook (Mr. Amery). He echoed many of the sentiments which I expressed in my speech. It was particularly interesting to hear these things from him, because he has a first-hand knowledge of them. When he was Secretary of State for the Colonies he was naturally immensely interested in everything which went on in those parts of the world, and he also went there on more than one occasion and saw it all from the air. It was agreeable and encouraging to hear from him how much he welcomes the beneficient and creative side of the work which the Royal Air Force does overseas in the performance and discharge of its essential military duties. I must apologise to my hon. Friend the Member for South Leeds (Mr. Whiteside) for not being in my place when he made his speech. I will read it with care and answer him later on, but I gather that some of the points he made could be made, perhaps, with better and greater effect if they were addressed to the Postmaster-General on the next occasion of the Post Office Vote.

My hon. and gallant Friend the Member for Hertford (Rear-Admiral Sueter) was kind enough to start his speech with congratulations addressed to myself, but hardly were the words out of his mouth before he watered them down with an expression of disapproval and disappointment. He accused the Secretary of State for Air and myself of what he described as letting the Army and Navy get away with the loot. The only thing I regretted was that there were two Admiralty Ministers sitting on the bench next to me one minute before, but unfortunately they went out and did not hear his remarks. If I have disappointed him he has also disappointed me. This is the first year, I think, on the occasion of the Air Debates that my hon. and gallant Friend has not mentioned the subject of Farnborough. I have noticed every year that his criticisms have been getting weaker, and this year they have died out

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altogether, which makes me believe that he is entirely satisfied.

The House listens always with the greatest interest to my hon. Friend the Member for Melton (Mr. Everard), who raised his usual points of interest. I was glad to hear the tribute which he paid to the Hannibal machines of the Imperial Airways Service, a tribute which is voiced and echoed by all who travel on that line. My hon. Friend the Member for one of the divisions of Birmingham left us in no doubt as to his views about the Air Ministry, and especially the attitude they take towards civil aviation and the development of the civil aircraft industry in general. He complained that our measures were so oppressive and so shackling that one wondered whether there was any future or hope for the industry of civil aviation in England at all. But I must say that we have the principal air records, that our Imperial Air Service is the best in the world, and we have the greatest sale of civil aircraft of any country. I know that there is a great deal in what he said, and, when I answer in that way, it is not that I want to be discourteous. I think he was drawing almost too dark a picture, but if there is anything in the suggestions that he has made which may be of any use it will be very carefully considered.

The hon. Member for South-East St. Pancras (Sir A. Beit) in his very interesting speech, gave us a first-hand report of his experience of the Cape route, and mentioned its great importance and the fact that we were going ahead on that route. We know how much we are indebted to the Trust which bears his name and of which he is a director and how sympathetic they are towards anything which has to do with civil flying in Africa. My hon. Friend the Member for Lichfield (Mr. Lovat-Fraser) raised two points. I think that he has raised the question of noise in aeroplanes on previous occasions. We have been doing everything possible to please and to satisfy him in that connection. I do not know whether he has flown lately in the large cabin machines of Imperial Airways—it is after all, in the enclosed machine one suffers most from noise—but if he has, I am sure he will agree that the strides which we have made to counter this very disagreeable phenomenon have been extremely successful. Whereas one used to have to introduce a large piece of cotton wool into the ears, one can now converse quite as easily as in a motor car or train, and I only hope that he will without delay sample what I am telling him, and realise that the conditions in aeroplanes to-day will even satisfy his friend the Duke of Argyll. He raised another point in connection with ice. It is very troublesome to pilots flying at great altitudes to have to encounter the formation of ice on the wings and the fuselage. There again we have made very definite strides. New kinds of dope have been tried with considerable success. Dope has sometimes been made of the most curious materials such as treacle, sugar, soap, seccotine and things of that sort. I can assure my hon. Friend that considerable progress has taken place in this matter during the last year or two.

AMATEUR FLYING.

9.40 p.m.

Mr. GODFREY WILSON: I beg to move, to leave out from the word "That" to the end of the Question, and to add instead thereof the words:

"this House is of opinion that, in order to develop civil aviation and to ensure an adequate reserve of qualified pilots for military purposes, greater assistance should be given for the encouragement of amateur flying and the formation of light aeroplane clubs."

The privilege of introducing this Amendment is due to the fortune, or perhaps I should say at this late hour, the misfortune of the Ballot. It has two important aspects, first, the development of civil aviation in relation to the growth and increasing importance of the air service in commerce, transport and in international relations, and, secondly, the provision of adequate reserves of qualified pilots who will be ready in a national emergency to act in the defence of the security of the country. It may seem that there is something inconsistent in these two aspects of the question, but there is no more inconsistency between the development of civil aviation and the importance of civil aviation from the point of view of military requirements than there is between the Maritime forces and the Navy, each of which is complementary to the other. The remarkable successes recently attained by British aviation have been referred to more than once to-night, and the great successes in that respect give convincing proof that this nation is, if not the very best, at least equal to any other nation in the world. Therefore, it is time that we took advantage of that opportunity.

There are one or two particular things to which I wish to make reference. One is the security and safety, now a prominent feature of all aircraft. The other is the very remarkable reduction which has recently taken place in the insurance rates which apply to passenger traffic. It was only announced, I think yesterday, that insurance rates had gone down from 12s. per £1,000, per hour flying, to 1s. per £1,000, per hour flying. Surely, this is the time to do everything possible to increase and to encourage this new and growing industry. We should take advantage of the unique opportunities presented to us to foster what will be one of the most important developments in trade and international relations. It is impossible to exaggerate the far-reaching importance of what may happen with regard to the development of transport and passenger traffic in the air. Every country in the world is undoubtedly purchasing and developing aeroplanes and flying services, and with our established reputation we have an opportunity to seize the moment and by so doing may expect to increase our export trade, help to reduce unemployment, and help coal, iron, steel, shipping, engineering, railways, and many other industries.

One point of view that I should like to urge upon the Under-Secretary is an increase in the number of our aerodromes and landing grounds. The lack of these is a serious handicap to development. There should be facilities near every large town for aeroplanes to land, and I hope the Under-Secretary will be able to assure us that attention is being paid to that matter. The immediate point which I wish to urge is that, through the encouragement given to civil aviation and light aeroplane clubs, we should get an increase in the number of trained pilots. Every pilot mean more machines, more engines, more equipment, and generally that is the crux of the whole problem.

In the Air Estimates, Vote 8, there is a sum of £568,000 devoted to civil aviation, of which sum £20,000 is for light aeroplane clubs. That represents more that double the corresponding Vote last year, and I should like the Under-Secretary to tell us exactly how that £20,000 is to be used. The last report of the Air Ministry on civil aviation, published in 1932, gives a statement of the sums which other nations are spending in the development of this branch of aviation. It appears from the figures quoted that this country is spending about one-fourth of what Germany is spending, one-third of what France is spending, and a little more than one-half of what Italy is spending. I was unable to get any information from the figures as to how much of the money which those foreign countries are spending on civil aviation was devoted to what corresponds to our light aeroplane clubs, but I think it is probable that at least it is three or four times what we are spending.

The object of the subsidy to light aeroplane clubs is to give members an opportunity to learn and to practise the art of flying, and that is done by giving subsidies and capitation grants to those members who succeed in getting one or other of two licences—licence "A" for those who intend to be amateur pilots and to engage only in private flying, and licence "B," which is a higher qualification, the professional qualification, which a pilot must have before he can take up passengers for hire or reward, or before he can engage in commercial flying. I have the figures for the last six or seven years showing the numbers who have been successful in getting "A" and "B" licences. I will not weary the House with the figures in detail, but they gradually rose from 1927 to 1930 in the proportion of "A" and "B" licences, but since 1930 there has been a gradual reduction. Perhaps the Under-Secretary will tell us the reason for that reduction.

The total number of licences held for the last three years compared with the number of privately owned aircraft shows rather notable results. For every six or seven "A" licences there is about one privately owned machine in this country. This gives ground for the fair inference that the number of pilots does bear a very distinct connection with the progress of aviation generally. In the year 1929 the experiment was tried of subsidising seven professional clubs and the National

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Flying Services Limited. They were under contract during three years to put down 20 aerodromes and 80 landing grounds, but I understand that they were unable to fulfil their contract. I hope the Under-Secretary will be able to tell us whether these seven clubs are to be kept in existence or to be allowed to die out. I hope that some help will be given to them.

I pass on to the military side of the question. We can only consider that in relation to the policy laid down by the Government on disarmament, and this is not the time for me to discuss that policy. It has already been dealt with very fully by hon. Members who have spoken, but I cannot help saying that our efforts in that direction have not been attended with any remarkable success. Our example has not been followed by any other country, and the time has come to put aside any attempt to persuade any other nation to follow our example. We should think only of our own security. There can be no doubt that the reductions in our armaments of all kinds, Navy, Army and Air Force, have been such as to make people who are not mere scaremongers anxious as to our national security. Until other nations are prepared to agree to the proposals which we have made, we should see to it that our own defences are secure and that we are in a position to make our voice heard in any international trouble that may come about.

In this respect I cannot help feeling very strongly that half measures are absolutely useless. We must either see that we have a really good force which will give us the right to be heard in any international question, or, failing that, we ought to be content with what would be merely an adequate police force. Anything in the nature of half measures would fail to satisfy anyone. They would simply provoke and encourage other people to take advantage of our position. Unless, therefore, we are prepared to rely on the goodwill of other nations, it is necessary for us to obtain an adequate Air Force, and for that purpose we must look to getting an adequate reserve of trained pilots, ready in a national emergency, with an intensive course of instruction in military aircraft, to take their places as officers in the regular Air Force.

Times have changed. Hitherto this country has depended for its existence on sea power. That day is past. I cannot help feeling that security in the air to-day is of more importance to us than, or equally as important as the security of the sea has been to us in past years. When one considers the relative cost of a battleship or a battle cruiser with the cost of an aeroplane the ratio is most remarkable. One can build 8,000 military aircraft at the cost of one battleship. One can build many thousands of military aircraft at the cost of one cruiser. I cannot help wondering what chance a battleship or cruiser would have if attacked by even one hundred aeroplanes. We have had a recent example of what an aeroplane can do in attacking an armed naval vessel. The recent revolt on a Dutch ship was quelled by one bomb dropped from an aeroplane, and if that can happen in the Dutch Navy, it can happen anywhere else. To my mind, 100 aeroplanes attacking a single battleship or cruiser would wipe it out of existence in a very short time.

We have heard anxiety expressed on all sides of the House in regard to the position which we occupy in this matter of air power. We are fifth among the great Powers in regard to air defence, and that is a position which has been commented on so seriously on all sides that I need not refer to it any further. I submit that, by giving assistance to aeroplane clubs, we should be enabled to build up a reserve of pilots who would be ready in a national emergency to take their places in the regular Air Force. They would be, by their previous experience, trained in flying, and in air-mindedness, and they would very quickly be able to act if an emergency should arise. I would like to suggest to the Under-Secretary of State that he should consider giving an addditional subsidy to a pilot who holds an "A" licence, who passes a medical examination, and who would be prepared to sign on for, say, five years to serve if the occasion arose.

There is one other source of flying to which I should like particularly to draw attention, and that is the universities. There are already in existence two university air squadrons, one at Oxford and one at Cambridge. Those squadrons were started in 1925. They began with an establishment of only 50 members, but that has recently been increased to 75. It was possible to start those squadrons at the two aerodromes, Abingdon, near Oxford, and Duxford, near Cambridge, and, notwithstanding the somewhat pacifist resolutions to which attention has been drawn, I say that if an emergency should arise, this House and this country need have no anxiety as to what the students of Oxford and Cambridge would do. I should like to remind the House that these two squadrons are strictly civilian. Their members do not serve under any military contract nor under any Air Force contract. They have to go through a medical examination, and they are selected very carefully from among a very large number, a much larger number than the establishment permits to be chosen. The instruction is given on service machines by Royal Air Force officers, who have been trained themselves at the Central Flying School.

By means of these two squadrons the young men of Oxford and Cambridge are thoroughly trained in flying, elementary ground subjects, airmanship, air pilotage, rigging, and engines, and it is held that at the end of their course they have qualifications about equal to half what a regular pilot gets when he passes through a regular flying training school. The purpose for which the squadrons were founded were three. They were, first, in order to send into civil life qualified civil pilots who may themselves some day become private owners; secondly, to ensure a high standard of safe airmanship, given under the best instruction and under strict discipline, and by that means to raise the standard of aviation throughout the country; and, thirdly, to build up a reserve of officers for the Reserve and Auxiliary Air Force who would accept the obligation to serve for five years in the event of war.

The combined output of the two universities is about 60 pilots per annum, and if it is assumed that the flying life of a man is about 15 years, it means that in the course of time we should, under our present establishment, have about 900 trained pilots, who, with a further intensive course of instruction, would be ready and willing to take their part as officers in the Royal Air Force. The competition to enter these two squadrons is keen, and if only the establishment could be increased, there is no doubt that we could double our output. All that is necessary for them are a few additional instructors and further machines for training purposes. I do not intend to keep the House any longer, as there are other hon. Members to follow who have experience of their own, which I cannot claim to possess, but from whatever point of view we look at this question, whether from the civil point of view of the development of trade and commerce, or from the military point of view in order to get an adequate reserve of trained officers, I wish to press the importance of this Amendment on the House.

10.2 p.m.

Captain HAROLD BALFOUR: I beg to second the Amendment.

In the speech of the right hon. Member for Epping (Mr. Churchill) to-day he drew a picture of the position of this country as a maritime Power in the old days, and he enlarged on the possibility of this country being an air Power in the future. Quite apart from the military or service aspect of the question, I think we have in this country to-day a great opportunity, because in every age there has always been one development. There was the steam age, the age of the iron ship, and usually this country has led. We have now an opportunity of leading in this flying age, just as we led in the maritime and shipbuilding age. I think we have made a good start, and not the least part of our good start is the light aeroplane club movement, which is characteristically British, which was developed in this country, and which has been copied throughout most of the Continent, in other parts of the world, and in our British Dominions.

The growth of this movement is really remarkable. I do not wish to weary the House with figures, except to give two sets as a contrast. In 1928 the flying members of our light aeroplane clubs numbered 1,520; in 1931 they numbered 3,433, or over 100 per cent. increase. In 1928 the flying hours were 10,400; in 1931 they were 24,250, a thing that I think every Member of this House, particularly those who have light aeroplane clubs in or near their constituencies, can very well be proud. This country geographically has disadvantages as regards the development of civil aviation, when we compare ourselves with the wide open spaces of the United States, but, true to the British tradition, we are not going to be down-

[Captain Balfour.]

cast by these disadvantages and we are offsetting them by the development of our own particular line of flying. The light aeroplane club movement has done two things towards offsetting those disadvantages. It has provided the majority of the all too few facilities that we enjoy for landing in England to-day—the landing grounds of our municipalities and our seaside resorts and other places—and, secondly, it has gone far to educate the average man and woman in this country to realise that when they see an aeroplane going over head the aeroplane is not about to fall upon their heads, but is a safe and reasonable means of transport.

In the United States there are over 2,000 landing grounds, of which less than 100 belong to the Army and Navy. We in this country have approximately only 450, including those of the Royal Air Force, and if it had not been for the clubs the number would have been very much lower than that to-day. I hope that the right hon. Gentleman the Under-Secretary, when he is considering the extension of the number of subsidised flying clubs up to the maximum, will also consider the geographical position of the various clubs that make the application, in order that we can gradually ring England around with a series of landing grounds which will give the flying facilities that are essential if we are to develop our internal air communications.

As regards educating the public, the light aeroplane club is the only possible way in which the average man can fly at a reasonable cost. It is a truly democratic movement. There is a messenger boys' flying club, and there are a Press flying club and a London omnibus men's flying club. Everyone in the House will agree that it is a truly democratic movement and worthy of support without thought of party. If the Government are satisfied that the clubs have fulfilled usefully their dual purpose of developing landing facilities and educating the public, it is the Government's duty to give them some further encouragement. I suggest that there are two ways in which the Government can give that encouragement. The first is by extending the subsidy, and the second is by freeing private flying from some of the restriction under which it at present suffers.

The Mover of the Amendment suggested that there should be an extension of the subsidy to "A" licence pilots who have passed a medical test and would give an undertaking to serve at home or abroad if called upon to serve in a national emergency. Such a stipulation as regards the granting of an extra subsidy should appeal to everyone. A national emergency might arise, and there might be the incursion of outside capitalists on a Socialist State. In that case those who were running the Government of the country would be very glad to get these men to defend the country in such a state of national emergency. I think there should be an additional subsidy for certain young men who have not means of their own but wish to fly, and who have the necessary qualifications, in the same way as there are technical scholarships. If Government money is to be granted to help the young men of this country to fly, let us see that it is evenly distributed, and that those who can pass a means test will at any rate have an opportunity of participating in the benefits of such a subsidy.

The second way in which I think the Government could help would be to remove some of the present restrictions on private flying. I want to make it quite clear that any remarks I make do not apply to fare-carrying aeroplanes that fly for hire or reward, because the State and the Department have a duty towards the public who are being carried in public transport machines. We always used to say that an Englishman's home was his castle. The Air Ministry have upset all that now, because if I happen to own a castle I could not build an aeroplane out of my own money in my own workshop, and fly in my own ground, and perhaps kill myself in my own particular fashion, without the permission of the Secretary of State for Air. I think that that is taking Government interference rather too far and is seriously encroaching upon the liberty of the subject. One has to have one's drawings approved, the construction approved, and even the operation of the private aeroplane approved.

Anybody can buy a motor car for a £5 note without any provision as to examination of its condition, and one can drive it down Piccadilly and have an accident through the breaking of the steering, and one can cause more damage than probably the average aeroplane falling on the ground would cause; but there is no provision in the Ministry of Transport regulations for the compulsory examination of second-hand cars. In practice accidents to such cars are few and far between. So it is with aircraft. In practice if restrictions are lightened the law of supply and demand will operate, and manufacturers will not make bad aeroplanes, because they will be unable to sell them. I think that the present system is costly to the taxpayer, because the charges made to the average private owner for the looking-over inspection of his aeroplane do not cover the total charge which these services entail. It is costly to the owner, and it is very inelastic in its operation.

The future of private flying lies with the aeroplane which is going to be built in the future. Where to-day there are tens of young men who can pay £1,000 for an aeroplane, there are hundreds who will pay £250. There is being built to-day a new type of light aeroplane, call it the motor bicycle of the air if you like. I went to Shoreham the other day and flew one of these machines, which had a six horse power engine. I went rather prepared to jeer at what I thought would be a useless toy, but I came away thinking that there was a great deal more in this idea than I had thought when I started on my flight. At present they fly possibly 40 miles an hour, but on a windy day a strong man on a bicycle can pass underneath. But we are getting beyond that.

There is undoubtedly a future for these aeroplanes. At present they cannot be flown without the special permission of the Department, because they cannot reach certain operational figures for which there is a stipulation of the international convention at Geneva, neither can they be made at a reasonable price because of the heavy charges of the Government standards for military and other large aeroplanes imposed during manufacture. These aeroplanes are supposed to be dangerous to fly because you cannot get them over a certain height within a certain distance, but you can take one of them into a field of 150 yards with high trees all round and you can get in and out of that field by a corkscrew flight.

The present restrictions are definitely inelastic. They are based on legislation which was passed when none of us knew what the development of flying would be. In seconding this Amendment I ask that there should be two things considered—the possibility of the extension of the subsidies to the maximum number of flying clubs, the possibility of the extension of the subsidy so as to enable more young men to fly and so make it a more democratic movement, and the setting up of a committee, not a private committee which works within the walls of the Ministry, but a committee which will have the confidence of all private owners of aircraft and of the aircraft industry and whose findings will be recognised by this House as authoritative findings—a committee to go into the question of the restrictions on the aircraft industry in making machines for private flying, and the question of compulsory third party insurance. I hope that the Amendment will have the sympathy of the whole House.

10.15 p.m.

Mr. PERKINS: I am opposed to the Amendment not because I disagree with the principle but because I disagree with the way in which the principle of these subsidies has been put into practice by the Air Minister. This large increase in the subsidies is unjustified, and unnecessary. I believe that the light aeroplane club movement can fly without any subsidies, without any help at all from the Government. We have been told over and over again in the past, in this House and in the country, that the fundamental reason for these subsidies was to encourage the British public to become air-minded. What exactly is this disease of air-mindedness? I should like to have a definition of this mysterious and elusive disease. It is rather like foot-and-mouth disease; no one has yet defined it. And we are asked to spend £20,000 of the taxpayers' money at a time when we have not money enough to pay unemployment insurance benefit, when we cannot pay the police or the Civil Service. We are asked to vote £20,000 in order to inoculate the general public of this country with this mysterious germ of air-mindedness.

I claim that there is no justification whatever for these subsidies to the light aeroplane movement, in order to inoculate the public with this germ. If you want to make the general public take an interest in questions affecting the air,

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it would be far better to subsidise some form of travelling circus, such as was headed by Sir Alan Cobham some time ago, which actually got into the industrial areas, reached the large towns, and thus came into contact with the masses of the people, whereas this light aeroplane movement only touches a fringe of the population, at the outside 3,000 people. I should like to congratulate the hon. Member for Cambridge University (Mr. Wilson) on having come out into the open with the brave and gallant statement he has put on the Paper in this Amendment, that the real and fundamental reason for these subsidies now, and in the past, was to make sure that in this country we had a substantial reserve of war pilots for war purposes. Let me congratulate him on laying the bogey of air mindedness, and upon coming into the open and telling the truth. Of course the subsidies have been provided in the past for three purposes—one, to provide reserves, two, to provide a large number of aerodromes which can be used in time of war, and, thirdly, to keep our manufacturers busy in order to have a skeleton organisation which might be increased if we were unfortunately dragged into war.

I propose to examine the position with regard to the granting of these subsidies. Who are the people who can claim them? Who gets the subsidy? Who can get the subsidy? Any man or woman over the age of 18 years, provided they are physically fit, and provided they can get a pilot's licence, can get the subsidy, or rather the club to which they are attached can get the subsidy, and the result is that you have women and men of all ages, totally unfit for any war service, getting these subsidies. If a man aged 100 likes to go to a light aeroplane club and get a pilot's licence, and there is no reason why he should not do so, that club gets a subsidy from the Government, and the British taxpayer has to pay. I suggest that no man or woman should get a subsidy who is over the age of 50. He can be of no use to the country in time of war. He is over war age and to go on handing over subsidies to men, irrespective of age, is indefensible.

I now come to the very important question of women. I know that a large number of Members of this House believe that woman's place is the home, but I dissociate myself from that view. I have no objection to lady pilots flying in the air. My quarrel with the present system is that to give lady pilots these public monies, in the hope that they would be of some use to the country in time of war, cannot be justified. Women pilots could not be used by us in time of war because we are tied by international agreements on the subject. There is a third type—the average pilot. The average man goes to a flying club, learns to fly and flies, perhaps, for 15 or 16 hours. He gets his licence and, from that moment, the club loses all interest in him. There is no more money to be got in respect of him. They do not encourage him to go on flying and when he has done perhaps four or five hours more, he drops out altogether. It will be found, between these three categories, that 90 per cent. of the money now spent on teaching the general public to fly is sheer waste and that the country is only getting benefit to the extent of 10 or 15 per cent. of the pilots turned out under this system.

If my hon. Friend insists that this money should continue to be paid out, I earnestly implore him to consider barring women pilots, all men pilots over the age of 50, and all pilots who have not flown at least 25 hours every year. I would like to see all these subsidies abolished. If that were done we would have a howl or a loud squeal from the clubs involved, but when one faces the facts, one realises that out of 30 clubs in this country 14 get no subsidy at all and if 14 exist without help from my hon. Friend, it is only logical to demand that the other 16 should also exist without subsidy. If 14 can exist without subsidy surely every single flying club can do likewise. I give one simple illustration. At Reading aerodrome there are two clubs. Both have been there for four years. One of these clubs receives a subsidy or received it until last September, and the other never had a subsidy at all. They use the same aerodrome, fly the same machines, are among the same people and are in acute competition. Yet the club that receives the subsidy has gone down every year, whereas the club which has not received any subsidy has gone forward by leaps and bounds.

I submit that it is unnecessary to give any of these clubs any subsidy from now onwards, and as I say, I would like to see subsidies abolished. At the same time, I support the plea so ably put forward by my hon. and gallant Friend the Member for Thanet (Captain Balfour) that some of the present restrictions should be removed from the light aeroplane club movement. As he has pointed out, a new kind of light aeroplane is coming forward—almost a glider, with a motor cycle engine. It costs about £200 or less. It has been said of these machines that "they stall not, neither do they spin." I am informed, although I have not had the luck to fly one—owing to the restrictions imposed by my hon. Friend's Department—that they are absolutely fool-proof, and that it is almost impossible to kill one's self in one of these machines. Here is a machine coming forward which I think will eventually become the motor-cycle of the air. It will provide very cheap flying for the masses of the country, and it is foolish to impose on these machines the same restrictions and the same standard of quality which are imposed on the faster machines which are capable of flying round the world. I should like to see all the irksome restrictions and the subsidies removed, and civil aviation will be very much better off.

May I put in a plea for the private owner? I claim that from the point of view of war purposes the private owner will be of more use than any of the other types that I have mentioned. First of all, he buys the machine, and by doing that provides the aircraft industry with work. Secondly, he flies in all weathers. He does not fly only in good weather as we very often find at the light aeroplane clubs where the chief instructor does not want to risk his machines flying in doubtful weather. We find as a general rule that clubs only fly in good weather, and much the same thing is true in the Air Force. They do fly in doubtful weather but, if it is really doubtful, the officer of the aerodrome orders no flying because he does not want to risk human life. The private owner, however, if he wishes to go to his constituency or to a friend in another part of the country, will, although there is a wedge of dirty weather, very often try to get through and does get through. If you really want to find 10 pilots whom you could trust to get through in any weather, you could not do better than take your pick from some of the private owners. I would like to point out one rather interesting fact about private owners. If hon. Members will read the British register of aircraft, they will find that out of 921 light aeroplanes only 60 are owned by subsidised light aeroplane clubs, and 450, or nearly eight times that number, are owned by private individuals—in other words, eight to one. Surely, therefore, it is only common sense to stop encouraging by subsidies the light aeroplane club and to concentrate instead on the private owner who has already shown that he is efficient and capable of existing without any subsidy at all.

I would like to draw the attention of the House to another side of the question. We have often been told by our war-minded pacifists that the aeroplane is essentially an instrument of war. It is perfectly true that anything that flies can drop a bomb. I am prepared to admit that, but I also claim that the aeroplane which is in private hands, although it is a possible instrument of war, is also an instrument of peace. A large number of British pilots in a rapidly increasing number go year after year across to the Continent. They go round Europe, jumping over barriers of one kind and another, flying over frontiers, making friends here and there, and thoroughly enjoying themselves because of the freedom and simplicity of the life, accepting people's hospitality and getting to know and to understand the difficulties of other people and other countries.

This flying abroad will eventually do a great deal in the interests, not of war, but of peace. British pilots last September sent out a request to all foreign private owners and asked them to come to this country for a week-end. About 50 or 60 accepted, they came here, we gave them our best, we entertained them for three or four days, and gave them an extraordinarily good time. It did not cost them a penny, and they went back thoroughly satisfied with Great Britain. These little trips up and down the Continent, and these friendly parties in all parts of the world, will do a great deal for the cause of peace. Already the countries in Europe are to the amateur pilot like the English counties are to the motor cycle fiend or to the motorist. One

[Mr. Perkins.]

day last year I myself, coming back from Constantinople, without any effort at all, without even hurrying, had breakfast in one capital, had lunch in a second capital, had tea in a third and dined in a fourth—and I never hurried once. That is possible now and I ask hon. Members to visualise what we shall see in the future. When we can buy an aeroplane for a few hundred pounds hon. Members, instead of going to Brighton for week-ends, will go off to Vienna, or to Rome or to Madrid. Will not that result in a better understanding of the troubles of other peoples and other countries; will it not tend to reduce international friction; will it not finally wipe away all the barriers and all the frontiers which at present exist? I believe it will.

I believe that light aeroplanes, particularly the one owned by the private owner, to be one of the greatest instruments for peace in the world at the moment, and I do hope that my hon. Friend will encourage it by every means in his power. There is one respect in which the Air Ministry could encourage this development of flying. When we go abroad we often find ourselves in difficulties. For Austria and Spain it is necessary to get certain permits, to get visas, to take passports and to get carnets, and I would ask the hon. Member whether he cannot take a bold lead in saying to other countries that we will relieve their pilots of all these irksome restrictions when they visit us if they will do the same for British pilots visiting their country. All those restrictions will have to go in time, they cannot stand for ever. They will have to go in the same way as the turnpike roads or the red flag in front of the early motor vehicles have gone.

Sir P. SASSOON: I think it will be agreed by all hon. Members that this has been a very useful and enjoyable Debate. I confess that I was surprised to hear my hon. Friend the Member for Stroud (Mr. Perkins) inquiring how we could create air-mindedness, because I thought his speech, in which he described air parties, and pilots going from one country to the other and making friends everywhere, was a good example of the means of creating air-mindedness. That is what we are trying to do. The light aeroplane movement is one in which the Air Ministry has always taken the greatest possible interest. From the start we have done everything we possibly can, so far as finance would allow, to help that movement and foster it. In 1923-24, when there was no such thing as a light aeroplane at all, we did a very reprehensible thing in the eyes of the hon. Member, we actually went so far as to give prizes to stimulate the industry and to act as a competitive spur in the production of light aeroplanes. In the summer of 1925 we introduced the first scheme for giving financial assistance to a limited number of clubs, since the Air Ministry was desirous of bringing flying within the range of the man in the street, and clubs afforded the only means by which he could possibly learn to fly.

I will not trouble the House with the details of successive schemes introduced since that date, but will only say that when last year we were satisfied that the existing subsidies were not sufficient we introduced one on more generous lines. The grant for each pilot trained by one of these clubs has increased as much as 150 per cent. We anticipate that during the current year these clubs will earn twice as much as they earned last year. The figure shows an increase to £20,000, and in times like these that is a very practical manifestation of the interest the Air Ministry takes in this movement. We hope to reduce expenditure, in order to make the money go as far as we possibly can.

It has been suggested that we started this movement with some militaristic idea at the back of our minds. That is not so. These people get no military training. The movement has been started entirely to encourage people to make use of the new and young form of transport. Technically, we lead the world. I do not think that I need say anything more about the part that we are playing in fostering the light aeroplane movement. We have done as much as we possibly can in that direction. The hon. and gallant Member for Thanet (Captain H. Balfour), who seconded the Amendment, raised the point about the inelasticity of the restrictions that are imposed upon civil flying, and he suggested that a committee might be appointed to look into the matter. It is a most interesting suggestion, and I will certainly convey it to my Noble Friend.

Mr. G. WILSON: In view of the statement that has been made by the Under-Secretary of State for Air, I beg to ask the leave of the House to withdraw my Amendment.

Amendment, by leave, withdrawn.

Question put, "That Mr. Speaker do now leave the Chair."

The House divided: Ayes, 249; Noes, 35.

Division No. 81.] AYES. [10.37 p.m.

Acland-Troyte, Lieut.-Colonel
Agnew, Lieut.-Com. P. G.
Albery, Irving James
Allen, William (Stoke-on-Trent)
Anstruther-Gray, W. J.
Aske, Sir Robert William
Astbury, Lieut.-Com. Frederick Wolfe
Atkinson, Cyril
Baillie, Sir Adrian W. M.
Baldwin, Rt. Hon. Stanley
Balfour, Capt. Harold (I. of Thanet)
Banks, Sir Reginald Mitchell
Barclay-Harvey, C. M.
Barrie, Sir Charles Coupar
Bateman, A. L.
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Belt, Sir Alfred L.
Bevan, Stuart James (Holborn)
Bird, Ernest Roy (Yorks., Skipton)
Blindell, James
Borodale, Viscount
Bossom, A. C.
Boulton, W. W.
Bowyer, Capt. Sir George E. W.
Braithwaite, J. G. (Hillsborough)
Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Col. D. C. (N'th'l'd., Hexham)
Brown, Ernest (Leith)
Browne, Captain A. C.
Buchan, John
Buchan-Hepburn, P. G. T.
Burghley, Lord
Burgin, Dr. Edward Leslie
Burnett, John George
Caporn, Arthur Cecil
Carver, Major William H.
Castlereagh, Viscount
Chapman, Col. R.(Houghton-le-Spring)
Christie, James Archibald
Churchill, Rt. Hon. Winston Spencer
Clarry, Reginald George
Clayton, Dr. George C.
Cobb, Sir Cyril
Cochrane, Commander Hon. A. D.
Colfox, Major William Philip
Colman, N. C. D.
Colville, Lieut.-Colonel J.
Conant, R. J. E.
Cook, Thomas A.
Cooke, Douglas
Copeland, Ida
Craddock, Sir Reginald Henry
Craven-Ellis, William
Crooke, J. Smedley
Crookshank, Col. C. de Windt (Bootle)
Cruddas, Lieut.-Colonel Bernard
Davies, Maj. Geo. F.(Somerset,Yeovil)
Dickie, John P.
Doran, Edward
Drewe, Cedric
Duckworth, George A. V.
Duggan, Hubert John
Duncan, James A. L. (Kensington, N.)
Dunglass, Lord
Eastwood, John Francis
Ellis, Sir R. Geoffrey
Elliston, Captain George Sampson
Elmley, Viscount
Emrys-Evans, P. V.
Entwistle, Cyril Fullard
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Evans, Capt. Ernest (Welsh Univ.)
Everard, W. Lindsay

Fleming, Edward Lascelles
Ford, Sir Patrick J.
Fremantle, Sir Francis
Fuller, Captain A. G.
Ganzoni, Sir John
Gibson, Charles Granville
Gillett, Sir George Masterman
Gledhill, Gilbert
Glossop, C. W. H.
Gluckstein, Louis Halle
Goldie, Noel B.
Goodman, Colonel Albert W.
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Greene, William P. C.
Gretton, Colonel Rt. Hon. John
Grimston, R. V.
Gritten, W. G. Howard
Guinness, Thomas L. E. B.
Guy, J. C. Morrison
Hacking, Rt. Hon. Douglas H.
Hales, Harold K.
Hall, Capt. W. D'Arcy (Brecon)
Hanbury, Cecil
Hanley, Dennis A.
Harbord, Arthur
Hartland, George A.
Harvey, Major S. E. (Devon, Totnes)
Haslam, Sir John (Bolton)
Heilgers, Captain F. F. A.
Henderson, Sir Vivian L. (Chelmsford)
Heneage, Lieut.-Colonel Arthur P.
Hope, Capt. Hon. A. O. J. (Aston)
Hornby, Frank
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M. (Hackney, N.)
Hurd, Sir Percy
Hutchison, W. D. (Essex, Romf'd)
Jackson, Sir Henry (Wandsworth, C.)
Jesson, Major Thomas E.
Joel, Dudley J. Barnato
Johnston, J. W. (Clackmannan)
Johnstone, Harcourt (S. Shields)
Jones, Henry Haydn (Merioneth)
Jones, Lewis (Swansea, West)
Ker, J. Campbell
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Knox, Sir Alfred
Lamb, Sir Joseph Quinton
Latham, Sir Herbert Paul
Law, Sir Alfred
Law, Richard K. (Hull, S.W.)
Leckie, J. A.
Leech, Dr. J. W.
Lees-Jones, John
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Lewis, Oswald
Liddall, Walter S.
Lindsay, Noel Ker
Little, Graham-, Sir Ernest
Llewellin, Major John J.
Llewellyn-Jones, Frederick
Lloyd, Geoffrey
Lockwood, John C. (Hackney, C.)
Lockwood, Capt. J. H. (Shipley)
Lovat-Fraser, James Alexander
MacAndrew, Lieut.-Col. C. G. (Partick)
McCorquodale, M. S.
McEwen, Captain J. H. F.
McKie, John Hamilton
McLean, Dr. W. H. (Tradeston)
Macmillan, Maurice Harold
Mallalieu, Edward Lancelot
Margesson, Capt. Rt. Hon. H. D. R.

Marsden, Commander Arthur
Martin, Thomas B.
Mayhew, Lieut.-Colonel John
Merriman, Sir F. Boyd
Mills, Major J. D. (New Forest)
Mitchell, Harold P. (Br'tf'd & Chisw'k)
Mitcheson, G. G.
Moreing, Adrian C.
Morris, Owen Temple (Cardiff, E.)
Morrison, William Shepherd
Moss, Captain H. J.
Muirhead, Major A. J.
Munro, Patrick
Nation, Brigadier-General J. J. H.
Nicholson, Godfrey (Morpeth)
Normand, Wilfrid Guild
Nunn, William
O'Connor, Terence James
O'Donovan, Dr. William James
Oman, Sir Charles William C.
Palmer, Francis Noel
Patrick, Colin M.
Pearson, William G.
Peat, Charles U.
Percy, Lord Eustace
Perkins, Walter R. D.
Petherick, M.
Peto, Geoffrey K.(W'verh'pt'n, Bilst'n)
Pickford, Hon. Mary Ada
Pike, Cecil F.
Powell, Lieut.-Col. Evelyn G. H.
Raikes, Henry V. A. M.
Ramsay, Capt. A. H. M. (Midlothian)
Ramsay, T. B. W. (Western Isles)
Ramsden, Sir Eugene
Ratcliffe, Arthur
Ray, Sir William
Reed, Arthur C. (Exeter)
Reid, David D. (County Down)
Reid, James S. C. (Stirling)
Reid, William Allan (Derby)
Remer, John R.
Rhys, Hon. Charles Arthur U.
Roberts, Aled (Wrexham)
Robinson, John Roland
Ropner, Colonel L.
Rosbotham, Sir Samuel
Ross Taylor, Walter (Woodbridge)
Runge, Norah Cecil
Russell, Richard John (Eddisbury)
Rutherford, John (Edmonton)
Rutherford, Sir John Hugo (Liverp'l)
Salmon, Sir Isidore
Salt, Edward W.
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Sassoon, Rt. Hon. Sir Philip A. G. D.
Selley, Harry R.
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Shepperson, Sir Ernest W.
Shute, Colonel J. J.
Simmonds, Oliver Edwin
Skelton, Archibald Noel
Smiles, Lieut.-Col. Sir Walter D.
Smith, Louis W. (Sheffield, Hallam)
Somervell, Donald Bradley
Somerville, Annesley A. (Windsor)
Somerville, D. G. (Willesden, East)
Spears, Brigadier-General Edward L.
Spencer, Captain Richard A.
Stewart, J. H. (Fife, E.)
Strauss, Edward A.
Strickland, Captain W. F.
Sueter, Rear-Admiral Murray F.

Sugden, Sir Wilfrid Hart
Sutcliffe, Harold
Templeton, William P.
Thomas, James P. L. (Hereford)
Thomson, Sir Frederick Charles
Thorp, Linton Theodore
Titchfield, Major the Marquess of
Touche, Gordon Cosmo
Tryon, Rt. Hon. George Clement
Wallace, John (Dunfermline)
Wardlaw-Milne, Sir John S.
Warrender, Sir Victor A. G.
Wedderburn, Henry James Scrymgeour-
Wells, Sydney Richard
Weymouth, Viscount
White, Henry Graham
Whiteside, Borras Noel H.
Whyte, Jardine Bell
Williams, Charles (Devon, Torquay)
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Wilson, G. H. A. (Cambridge U.)
Windsor-Clive, Lieut.-Colonel George
Young, Rt. Hon. Sir Hilton (S'v'noaks)

TELLERS FOR THE AYES.—
Sir George Penny and Commander Southby.

NOES.

Adams, D. M (Poplar South)
Attlee, Clement Richard
Batey, Joseph
Buchanan, George
Cape, Thomas
Cocks, Frederick Seymour
Cove, William G.
Cripps, Sir Stafford
Daggar, George
Davies, David L. (Pontypridd)
Dobbie, William
Edwards, Charles
Grenfell, David Rees (Glamorgan)
Griffiths, T. (Monmouth, Pontypool)
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Hicks, Ernest George
Hirst, George Henry
Jenkins, Sir William
Jones, Morgan (Caerphilly)
Kirkwood, David
Lansbury, Rt. Hon. George
Logan, David Gilbert
Lunn, William
McEntee, Valentine L.
McGovern, John
Maxton, James
Milner, Major James
Parkinson, John Allen
Tinker, John Joseph
Williams, David (Swansea, East)
Williams, Edward John (Ogmore)
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE NOES.—
Mr. John and Mr. G. Macdonald.

Supply accordingly considered in Committee.

[Captain BOURNE in the Chair.]

NUMBER OF ROYAL AIR FORCE.

Motion made and Question proposed,

"That a number of Air Forces, not exceeding 31,000, all ranks, be maintained for the Service of the United Kingdom at Home and abroad, exclusive of those serving in India (other than Aden), during the year ending on the 31st day of March, 1934."

10.47 p.m.

Mr. McGOVERN: I beg to move to reduce the Vote by 30,000 men.

We move this Amendment as a matter of principle. Each year on some occasion members of the Independent Labour party have moved a reduction in some of the armed forces of the Crown. We are not advancing this reduction because we are inspired by pacifist or non-resistance philosophy but on a Socialist and anti-Capitalist basis. I do not say that in a contemptuous way, because we have absolute respect for those who are moved from that point of view, but we do not believe in absolute pacifism, although it is an ideal to struggle for. We believe that the armed forces as used in the air are being organised and will ultimately be used for the purpose of suppressing the workers in other lands and as an ultimate competitive instrument in the struggle of rival capitalists. I have listened to almost the whole of the discussion that has taken place to-day and, if there was not the other tragic and brutal side of the use of this force, one could have admired the splendid oration of the Minister in presenting the Estimates, because it was an oratorical feat of the very first magnitude. When one heard afterwards the various tales of romanticism that came from many young men in pleading for aerial clubs and so forth, one knew that behind all this romanticism there was the inevitable tragedy and brutality lurking in the building up of a force of this description in this country and in every country in the civilised world.

I have followed closely the course of events in connection with every advance made in aviation, whether it was made by a Smith, a Hinckler, an Amy Johnson or any other person who was engaged in blazing the trail of what might be termed civil aviation. I have always been fired with enthusiasm at the exploits of those individuals, and if one were to confine one's feelings to that aspect and knew that the Air Force was only for the purpose of getting into touch with various parts of the world, to bring a civilising influence and to rescue people and bring succour in distress, as the Minister said, then one could, in this House and in the country, view with a tremendous amount of admiration the work in which these men are engaged. One knows, however, that ultimately this force is going to be used for the purpose of a more terrific warfare than that which took place in the late war.

It is being advanced in this House that we must organise this Air Force for the purpose of defence, but is not that just the argument put forward by every country in the world, by their Air Ministers, and by their statesmen in various assemblies? They all say that they are organising for the purpose of defence, for the defence of the food supplies of the nation, of the women and children and the lives of the common people of each country. They go on building and piling up armaments, whether it be in the Air Forces, in the Navies or Armies, for the purpose of ultimate destruction of human lives throughout the world. Is this a time to come forward and tell us that our 100 per cent. efficient Air Force is going to ensure peace in a world which to-day is struggling with a tremendous amount of nationalism, mad nationalism that has overcome the world as the result of the great struggle from 1914 to 1918? Then you tell us that this efficient force will preserve peace. We are told that we are only fifth in the list in regard to the strength of world air forces, and it is being advanced by a large number of hon. Members that we ought to take our place at the head of the fighting forces of the world with an efficient air force to be used either to destroy another enemy force or to repel an enemy force if it should attempt to invade this country.

One knows from experience and from powers of reasoning that the League of Nations certainly cannot prevent war taking place. I say this only for the purpose of illustration. The League was created because the outcome of the world war had made the people of that period sick and tired of the very idea of war. The statesmen who created it made promises to the common people of all countries that it was a war to end war. As the outcome of that people said, "Well, prove to us that this is going to be the last war that will take place in a civilised community, and we will believe that the men and women who gave their lives, the men who were blinded and driven insane, the men who had both arms and legs blown off in some cases and were disembowelled, those who suffered this tremendous ordeal in battle did not make that tremendous sacrifice in vain, if it has ensured the end of all war." Then the statesmen, driven from their usual device of subterfuge by the increased reasoning powers and conscience of the people, were driven to the alternative of attempting to set up an assembly representative of the various countries of the world to create the feeling that they were attempting to ensure peace, when they knew that a creation of that character, in a world where capitalism remained supreme, could not ensure peace in any shape or form.

An hon. Member said in connection with this discussion, "I am neither an expert nor a disarmament crank." I would point out to the hon. Member who used that phrase that those who are experts are mostly bordering upon disarmament cranks because of the experience they have undergone in the late War. We are told that we have to establish and build up a force of that character for peaceful pursuits. It is impossible. Let me take a quotation from the famous speech of the Lord President of the Council which he made on 10th November last. He said:

> "I think it is well also for the man-in-the-street to realise that there is no power on earth that can protect him from being bombed. Whatever people may tell him, the bomber will always get through."

Later on he said:

> "The only defence is in offence which means that you have to kill more women and children more quickly than the enemy if you want to save yourselves."—[OFFICIAL REPORT, 10th November, 1932; col. 632, Vol. 270.]

We are establishing, in the words of the Lord President of the Council, a force which will ultimately, if used in warfare, set out from this country and various points of vantage in the Empire to destroy women and children more quickly than the enemy can in order to protect what? To protect the well-being of the lives of the common people? No. To protect private property. An hon. Member on the opposite side shakes his head in disgust. Let me tell him that the ordinary man-in-the-street has no quarrel with his fellow-men in other parts of the world. He does not go to France, Spain, Egypt or any other part to destroy human beings because he wishes to destroy them. He does it because governments and private interests clash with those of other countries with regard to trade routes, raw materials or something of that character. Then the statesmen who have made secret pacts with other nations declare war and call upon the working class to implement the secret promises which they have made in times of peace. No man in this House can tell me that war is anything of a civilising nature. Every person who knows anything of war and has seen the victims of

[Mr. McGovern.]

war cannot but be antagonistic to the idea of another world war, on which, I believe, we are on the eve.

It is a lamentable thing, after 2,000 years of so-called Christianity that we should be told by all responsible people that we are on the eve of a greater blood bath than anything which has been experienced in any period of history. Why are we on the eve of war? Is it to advance civilisation? Is it to bring security to people who are starving because of poverty and misery? Is it for any of these things that we are going out to destroy human life, to live like beasts and burrow in trenches as men did in bygone days? Is it for those purposes we are going to war? It is not for those purposes at all. To-day, in a world where you cannot get security of food, clothing and shelter, we are told that we are on the eve of another world war in order to ensure greater prosperity for a small class of the community. We refuse to believe that the development of this force in aviation will ensure security for the lives of the common people. A man who is living under the means test can look with contempt on any idea of invasion from a foreign Power. What could any foreign Power do? By aviation or other armed force a foreign Power could only invade and take possession of this country. Do those on the Front Bench or any Member of this House think that an intelligent, reasonable human being who is living in poverty fears invasion and the establishment of a Kaiser or a Hitler in this country, when we are living under Hitlerism just as extreme as in any other part of the world? The working classes are not afraid of that in any shape or form.

If a foreign Power, either by aeroplane or by any other armed force, captured this country and wanted to ensure the rights of private property, I cannot imagine a more efficient Government for robbing the poor than that we have in office at the present time. I cannot imagine them choosing any other set of men. Therefore, if by 20,000, 30,000 or 40,000 aeroplanes a foreign Power was able to establish control here, that would be nothing to be afraid of. We were told by the Lord President of the Council that to resist would mean death to tens of thousands of women and children in every area. Therefore the policy of non-resistance, if it is to be a choice between one capitalist section or another, would be the very policy that ought to be adopted by the working class. The idea of patriotism or of nationalism burning in the breasts of mankind to defend himself in this country by keeping the present Cabinet as against another Cabinet of the ruling class, is opposed by every reasonable-minded person in any part of the world.

We say, quite frankly, that we are opposed to your force. I would oppose in this House, even if it meant security of employment for people on the Clyde, the building of cruisers. I would vote against the building of cruisers even if I knew that men were anxious for employment in the building of these death-dealing instruments. It has come to a fine pass when in our civilised existence, in order to get bread, we have to pray to build death-dealing instruments of warfare that will destroy human life. I say to hon. Members opposite that they have created, by a great deal of evolution, a machine that is deadly and brutal in its effects. They fear the machine that they have created. They fear that they may require to use it. No person would advance in this House as a reason for the creation of the force of aviation that it was only for civil purposes. Every person speaks of the possibility of using it in the future for war. One hon. Member, a retired Admiral, said that the aeroplane is a humane method of dealing with outbreaks. I would like to have a chance of throwing a bomb at his back as he walks out of this House, and see how he would like that humane method of dealing with people. This humane method of destroying life is something similar to what we heard during the late War, when the newspapers said that the Germans were afraid of the bayonet. Every reasonable-minded man would be afraid of the bayonet, just as every intelligent human being would be afraid of a bomb. How any person can say that a bomb is a very fine method of quelling outbreaks, I cannot understand.

The hon. Member for East Wolverhampton (Mr. Mander) talked about economy in the use of the bomb for the aeroplane as against sending land forces, and he said in effect, " You can kill them more speedily; it costs less per head to ll them by the bomb.” Yes, the tionalisation of the fighting forces or eath-dealing instruments. That was in ffect what he said, that you could kill uch more cheaply by this Liberal method han by the other methods. If that is he type of mind that we have in this ouse, it is no wonder that we are drifting into the state of tragedy and darkness that the world is drifting into now, hen they come to this House and talk a cool manner like that of quelling utbreaks. What do they mean by uelling outbreaks? Do they mean that ou send out to India bombing machines bomb the natives of India, whose ountry you are invading with your bombing machines and in whose country you re preventing the natives from setting p a decent form of government to rule emselves? Yes, my intelligent Friends, know it is the idea that you are the nly civilised, reasonable people in the orld, that it is your function to bring ivilisation to the poor natives of every art of the world. By God, you have rought this civilisation to a fine state in his country when you have reduced illions of human beings to a point where hey wish they were dead rather than live in your civilised system of society. ou talk of intelligence. It is simply the dea of the bully who believes he is intelligent when he is using the whip on he poor native boy.

It is thought to be all right to talk n that manner about using bombs on ndians and coolies. They were given fe equally with you, and God intended hat they should have the same rights nd feelings as you, the right to a share n the earth, but you have no right to orner all the materials of the earth and hen to attempt to preserve them by orce to the exclusion of every other section of the community. Then you rumble of other people trying to play he same game as you have played. You ave all talked of Hitler and Mussolini, ut your dictatorship is more silent and unning than Hitlerism in Germany or Mussolinism in Italy. That is all that ou can advance from the Liberal benches, to quell tribes in Egypt, India, Persia and Afghanistan who may be rebelling against foreign rule, the foreign oke. You who talk about Kaiserism eing imposed on you, impose your Kaiserism on the people in every other part of the world. It is brazen effrontery of the worst kind to sit on the Liberal benches and talk in that contemptuous manner about natives in different parts of the world. I was amazed and horrified to hear a statement of that character coming from the hon. Member for East Wolverhampton. We might have expected it from a retired general or a retired admiral, but from a man who sits in the security and seclusion of this House to come out with a statement of that kind is brutal in the extreme.

I stand here, not as a pacifist; I stand here as a human being, who is always prepared to defend his rights, and would be delighted to defend a country in which the whole of the people had a stake and that was being invaded by another force which wanted to prevent the communal ownership of the means of life. A country which looked upon the security and well-being of the citizens as its first charge, I would say was a State worth defending, but a State that treats its people with contempt, that reduces them to poverty, that degrades its womanhood, that breaks up the homes and destroys the lives of children—I say to you frankly that I have nothing but contempt for your system, for your Government, and for rule of that kind. I stand here to-night saying that I support this Motion whole-heartedly, as an individual who believes that your force is destined to wage terrible war on men, women, and children of other nations. Recognising that you are heading for war I ask Members of the House with reason, intelligence and consciousness to go into the Lobby for the reduction of this Force from 31,000 to 1,000, which is tantamount to the wiping out of the entire Force.

11.10 p.m.

Mr. BUCHANAN: I do not propose to detain the Committee long.

HON. MEMBERS: Hear, hear.

Mr. BUCHANAN: I hope that hon. Members of the Conservative party who have been longest in the House realise that our capacity to keep them sitting late is not limited by the smallness of our numbers. It is cheeky and offensive to cry “Hear, hear.” It is quite easy for any hon. Member who is one in hundreds, but I am only one in four. I support this Amendment because I believe it is the right thing to do. Our

[Mr. Buchanan.]

views are the same on each of the fighting Services, but we do not wish to inconvenience Members by having more than one Division, as that will suffice to provide a vote on what to us is a matter of principle. We are entitled to state our case. I have listened to almost every speech in this Debate, and I confess that the speeches to-day have reached a higher level than those in the Debates on any of the fighting Services. I never thought that the Under-Secretary could speak as he spoke to-day. I thought his was a brilliant speech, from his own point of view, and that other speeches were very ably delivered.

What is our case? We on these benches think that we represent very poor people. Even if we risk unpopularity we think it wrong for us to neglect our duty in this House. What is our duty? I remember my predecessor in this House, Mr. George Barnes. He was a man of honesty and integrity, and he parted from the Labour party at the time of the War. He succeeded in getting the people in my division to support the War. He did it honestly. They were told that if they voted for him and pursued the War it was the last war, and that never more would the people from the slums be asked to go out again and take part in the slaughter. These men in their tens of thousands left everything. I do not say that the rich did not make sacrifices, that they did not show valour and bravery, but the sacrifice made by the poor people was far more. When a rich man was killed his dependants were not faced with poverty, as was the case when a poor man was killed. These poor people left the slums, left houses which were not worth defending in order to go out and fight. To-day we are asked to spend more on the air. Why? Because you are to fight another war. Your army is no longer efficient, your navy is no longer the key power it was; and we have to spend more on the air. The pledges made to these poor men and women have been broken. It does not matter whether the blame is ours or somebody else's, the fact of the matter is that these poor people are being called upon to get ready for another war. What is the reason for war? The military reason is that it is to make the nation secure. It may be that the other nation is the aggressor, but even so the reason given for an army and an air force is to make the nation secure. What does security mean? For the ordinary man it means his home, his wife, his bairns. You are going to ask these folk to fight for security when to-day thousands of them have not security in their homes to-day. What right have you to ask them to fight for security when you cannot give them security in their homes?

Yesterday I stood in a Glasgow court, packed with hundreds of souls, everyone of whom was fighting to keep his house. If a German or a Japanese came to-morrow they could not inflict greater hardships on these people. I remember that when I was about seven or eight years old being carried by my mother out of the house late at night because the fear of the sheriff's officer was greater than the fear of Germans or foreigners. Who is it that joins the Army in peace time? If you are to have an Army it is important to have an Army in peace times as well as in war. Who joins the Army now in times of peace? Leave out the officers, who joins the rank and file? Are they the sons of Members of Parliament, of doctors, of teachers, or even of artisans who are in work? Not one in one hundred belong to those classes. I stood on Saturday last in Bath Street, Glasgow, and saw hundreds of young men—well perhaps that is an exaggeration, but at least 30 or 40—waiting their turn to join. Years ago, when trade was good it was almost necessary to go out and haul them in. These were the sons of the poorest section of the community—the sons of those to whom you will not give security in their homes. They are being asked to defend their homes, but you will not give them homes. It is wrong for me or for any of us to ask these people to do what we would not do ourselves. I do not speak for Conservative Members; I know that their view is different from mine, but, from what I know of my own class and of the ideas of the comfortably-placed workman, I say that not one of us would wish to see a son joining the Army as an ordinary soldier. Working people would go on their bended knees to keep their sons from joining.

These young men join, not because the sons of the working class are more bloodthirsty than the sons of the middle ass, but for a very different cause. The oung fellow of 18 or 19 wants fun and e only joins because there is no other fe open to him. It is almost too cruel picture a nation refusing these people eir unemployment benefit, or cutting down, and at the same time asking em, nay, forcing them into the Army what is worse than conscription—the rror of want. You give them no home fe and you ask them to defend a country which they have no economic say, in hich they can play no effective part at l. For those reasons we oppose the ote, and for my part I have always one so in the case of Army, Navy and ir Force alike. I say from my conituents' point of view, that if the nation uarantees to the folk whom I represent ecent homes and decent conditions of fe, then I may reconsider my opinion. ut while my folk live in want, almost in estitution, I could not recommend them join. An hon. Member said that they ould be killed at home if they did not o out to fight and defend themselves. o my people, and I share this view with em, death has no great terrors. What life to them? It is nothing, and they ave no great fear of being killed. For any of them life holds only one hope, nd that is death. For our part, we shall o into the Lobby to vote against the ation spending these millions for war nstead of leaving the nation reasonably rganised, decently and socially minded, vote its resources and its capacity, ot for destruction, but for the uplifting f humanity.

1.26 p.m.

Mr. LANSBURY: Hon. Members who it here——[HON. MEMBERS: "Where re they?"] I suppose where many f you have been all the evening. I know is late, but I am going to say what propose to say. [HON. MEMBERS: "Speak up!"] I intend to speak just as oudly and as softly as I choose and, if on. Members wish to hear me, I am ertain that my voice will carry if they ill kindly be silent while I am speaking. I have listened to most of this ebate this evening, and I wish to state ny point of view. My hon. Friends ere, as has been the case ever since we ere a party, are divided on the question of pacifism. [An HON. MEMBER: "Why?"] That is our business, and think the insolence of the hon. Member is worthy of him at this hour of the night. It is 10 years since a number of us moved a similar Amendment as that which has been moved to-night. Each of us voted in our own way, and, as I do not want to give a silent vote to-night, and as I believe that my view is held by some of my colleagues, I want to put it to the Committee.

I take very much the view of the social conditions and the results of war that was stated by the hon. Member for Shettleston (Mr. McGovern), but my view about war and violence would not be changed even if conditions were more secure. I feel that violence and war and all the accompaniments of those evils have brought disaster upon disaster on previous civilisations, and that it is not only morally true, but historically true, that individuals and nations that take to the sword perish by the sword. I believe that that is a fundamental truth, quite apart from any ethical consideration. History proves that, but, if I believed in violence and war, I should be inclined to be on the side of many of those who have spoken to-night. There cannot be any half measures about this. Either you go to war and prepare for war in the most thorough manner possible, or you must take the view, as I do, that it is wrong to go into war at all. I cannot see any half-way house. I have never been able to see it, and I cannot see it to-night.

There was one speaker earlier in the evening who arrived at conclusions which I do not accept, but in his speech he used the same language as the hon. Member for Mossley (Mr. Hopkinson) employed the other night. He said that people's minds, and their attitude to life, must be changed, that there must be a change of heart. I would say to my hon. Friends below the Gangway that it is really a mistake for us to think that very poor people take our view about this. I sit for Bow and Bromley and have lived there for very many years, and at the outbreak of war—before the declaration of war—I held meetings in order to try to rouse opinion against the war. The people who opposed me most, who were most bitter in their opposition, were some of the very poorest of the poor. And as I see this thing, and as life passes along, the more certain I am that there is absolutely no hope for mankind until there is this sort of change in our mental and moral outlook towards one another.

[Mr. Lansbury.]

I do not believe the world can be made better by forcing something on to people. I may be inconsistent in being in this place at all, but I am quite certain that you will never make a nation what you want that nation to be merely by Acts of Parliament—by what you can do for it. The people have got to get it into their own minds that the world is what we make it and our country is what we make it, and we have got to get the ordinary young men and women to understand that it is not people like us who can save them, but that they must save themselves. They must learn the lesson that we are trying to put here—that all down the ages man has tried to get his way by force and domination and power; and in the end it has been just Dead Sea fruit.

I do not stand here as any paragon of virtue or religion. I feel tremendous hesitancy in speaking about these things, but I am so confident that the great religious teachers were right when they said, all of them, from Confucius to Christ himself, and onwards, that the Kingdom of God, the thing that mankind wants most, is within men and women, and also that all human life is sacred. Anyone here who believes in the Incarnation must believe that. I am not thinking of those who are agnostics or who do not accept our faith, I am thinking of those who say they believe in Christianity. In that case, because of the Incarnation, they must believe that all human life is sacred, and if that is true then I cannot feel that it is right, under any circumstances, to kill my fellow men and women. I cannot think of one of the early Christians in an aeroplane dropping bombs. I cannot believe that He, the most sacred figure in all history, would have wanted to gain his way by destruction, by killing, by force. It is for those reasons and for no other reasons that I shall go into the Lobby in support of this reduction.

11.35 p.m.

Sir P. SASSOON: The whole Committee must have been deeply moved by the sincerity of the speech to which we have just listened from the Leader of the Opposition. Whatever view is put to this House with such sincerity we always listen to with pleasure and respect. The hon. Members for Gorbals (Mr. Buchanan) and Shettleston (Mr. McGovern) have this year chosen the Air Estimates to make the speeches that they make year by year on one service or another. The views that they have expressed are not new to us, nor are they any more relevant to the Air Estimates than they are to any other service. The speeches are, in reality, general expressions of feeling as to what is the best method of avoiding war. As I said earlier on, the Committee is always glad to listen to expressions of opinion, stated with so much sincerity and with so much engaging skill. I hope that hon. Members will not think it discourteous of me, after such a long Debate, if I say that I do not agree with those views, because I think that if they were put into practice they would not have the results that the hon. Members desire. For that reason, I cannot accept this Amendment.

Question put, "That a number, not exceeding 1,000, all ranks, be maintained for the said Service."

The Committee divided: Ayes, 23; Noes, 216.

Division No. 82.] AYES. [11.38 p.m.

Adams, D. M. (Poplar, South)
Cape, Thomas
Cripps, Sir Stafford
Daggar, George
Davies, David L. (Pontypridd)
Dobbie, William
Edwards, Charles
Grenfell, David Rees (Glamorgan)
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hirst, George Henry
Jenkins, Sir William
John, William
Jones, J. J. (West Ham, Silvertown)
Jones, Morgan (Caerphilly)
Kirkwood, David
Lansbury, Rt. Hon. George
Logan, David Gilbert
Lunn, William
McEntee, Valentine L.
Maxton, James
Williams, Edward John (Ogmore)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE AYES.—
Mr. Buchanan and Mr. McGovern.

NOES.

Acland-Troyte, Lieut.-Colonel
Adams, Samuel Vyvyan T. (Leeds, W.)
Agnew, Lieut.-Com. P. G.
Allen, William (Stoke-on-Trent)
Aske, Sir Robert William
Baillie, Sir Adrian W. M.
Baldwin, Rt. Hon. Stanley
Balfour, Capt. Harold (I. of Thanet)
Balniel, Lord
Banks, Sir Reginald Mitchell
Barclay-Harvey, C. M.
Bateman, A. L.
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Beit, Sir Alfred L.
Bevan, Stuart James (Holborn)
Blindell, James
Borodale, Viscount
Bossom, A. C.
Boulton, W. W.
Bowyer, Capt. Sir George E. W.
Braithwaite, J. G. (Hillsborough)

roadbent, Colonel John
rocklebank, C. E. R.
rown, Col. D. C. (N'th'l'd., Hexham)
rown, Ernest (Leith)
rowne, Captain A. C.
uchan, John
uchan-Hepburn, P. G. T.
urghley, Lord
urnett, John George
porn, Arthur Cecil
arver, Major William H.
astlereagh, Viscount
apman, Col. R. (Houghton-le-Spring)
hurchill, Rt. Hon. Winston Spencer
arry, Reginald George
ayton, Dr. George C.
obb, Sir Cyril
ochrane, Commander Hon. A. D.
olfox, Major William Philip
olman, N. C. D.
olville, Lieut.-Colonel J.
onant, R. J. E.
ook, Thomas A.
ooke, Douglas
opeland, Ida
raddock, Sir Reginald Henry
raven-Ellis, William
rooke, J. Smedley
rookshank, Col. C. de Windt (Bootle)
ruddas, Lieut.-Colonel Bernard
avies, Maj. Geo. F. (Somerset, Yeovil)
ickie, John P.
oran, Edward
rewe, Cedric
uckworth, George A. V.
uggan, Hubert John
uncan, James A. L. (Kensington, N.)
unglass, Lord
astwood, John Francis
lliston, Captain George Sampson
mley, Viscount
mrys-Evans, P. V.
ssenhigh, Reginald Clare
vans, Capt. Ernest (Welsh Univ.)
verard, W. Lindsay
leming, Edward Lascelles
ox, Sir Gifford
remantle, Sir Francis
uller, Captain A. G.
ledhill, Gilbert
lossop, C. W. H.
luckstein, Louis Halle
oldie, Noel B.
oodman, Colonel Albert W.
raves, Marjorie
reene, William P. C.
retton, Colonel Rt. Hon. John
rimston, R. V.
uinness, Thomas L. E. B.
uy, J. C. Morrison
ales, Harold K.
all, Capt. W. D'Arcy (Brecon)
anley, Dennis A.
arvey, Major S. E. (Devon, Totnes)
aslam, Sir John (Bolton)
eilgers, Captain F. F. A.
Heneage, Lieut.-Colonel Arthur P.
Hope, Capt. Hon. A. O. J. (Aston)
Hornby, Frank
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M. (Hackney, N.)
Hutchison, W. D. (Essex, Romf'd)
Jesson, Major Thomas E.
Johnston, J. W. (Clackmannan)
Johnstone, Harcourt (S. Shields)
Jones, Henry Haydn (Merioneth)
Jones, Lewis (Swansea, West)
Ker, J. Campbell
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Lamb, Sir Joseph Quinton
Latham, Sir Herbert Paul
Law, Sir Alfred
Law, Richard K. (Hull, S.W.)
Leckie, J. A.
Leech, Dr. J. W.
Lees-Jones, John
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Lewis, Oswald
Liddall, Walter S.
Lindsay, Noel Ker
Little, Graham-, Sir Ernest
Llewellin, Major John J.
Lloyd, Geoffrey
Lockwood, John C. (Hackney, C.)
Lockwood, Capt. J. H. (Shipley)
Lovat-Fraser, James Alexander
MacAndrew, Lt.-Col C. G. (Partick)
McCorquodale, M. S.
Macdonald, Gordon (Ince)
McEwen, Captain J. H. F.
McKie, John Hamilton
McLean, Dr. W. H. (Tradeston)
Macmillan, Maurice Harold
Mallalieu, Edward Lancelot
Margesson, Capt. Rt. Hon. H. D. R.
Marsden, Commander Arthur
Martin, Thomas B.
Mayhew, Lieut.-Colonel John
Merriman, Sir F. Boyd
Mills, Major J. D. (New Forest)
Mitchell, Harold P. (Br'tf'd & Chisw'k)
Mitcheson, G. G.
Moreing, Adrian C.
Morris, Owen Temple (Cardiff, E.)
Morrison, William Shephard
Muirhead, Major A. J.
Munro, Patrick
Nation, Brigadier-General J. J. H.
Newton, Sir Douglas George C.
Normand, Wilfrid Guild
Nunn, William
O'Connor, Terence James
O'Donovan, Dr. William James
Palmer, Francis Noel
Pearson, William G.
Penny, Sir George
Percy, Lord Eustace
Perkins, Walter R. D.
Petherick, M.
Peto, Geoffrey K. (W'verh'pt'n, Bilston)
Pickford, Hon. Mary Ada
Pike, Cecil F.
Powell, Lieut.-Col. Evelyn G. H.
Raikes, Henry V. A. M.
Ramsay, Capt. A. H. M. (Midlothian)
Ramsay, T. B. W. (Western Isles)
Ramsden, Sir Eugene
Ratcliffe, Arthur
Ray, Sir William
Reed, Arthur C. (Exeter)
Reid, James S. C. (Stirling)
Reid, William Allan (Derby)
Rhys, Hon. Charles Arthur U.
Roberts, Aled (Wrexham)
Robinson, John Roland
Ropner, Colonel L.
Rosbotham, Sir Samuel
Ross Taylor, Walter (Woodbridge)
Runge, Norah Cecil
Russell, Richard John (Eddisbury)
Rutherford, John (Edmonton)
Rutherford, Sir John Hugo (Liverp'l)
Salmon, Sir Isidore
Salt, Edward W.
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Sassoon, Rt. Hon. Sir Philip A. G. D.
Selley, Harry R.
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Shepperson, Sir Ernest W.
Shute, Colonel J. J.
Skelton, Archibald Noel
Smiles, Lieut.-Col. Sir Walter D.
Smith, Louis W. (Sheffield, Hallam)
Somervell, Donald Bradley
Somerville, D. G. (Willesden, East)
Sotheron-Estcourt, Captain T. E.
Spencer, Captain Richard A.
Stewart, J. H. (Fife, E.)
Strauss, Edward A.
Strickland, Captain W. F.
Sueter, Rear-Admiral Murray F.
Sugden, Sir Wilfrid Hart
Sutcliffe, Harold
Templeton, William P.
Thomas, James P. L. (Hereford)
Thomson, Sir Frederick Charles
Thorp, Linton Theodore
Tinker, John Joseph
Titchfield, Major the Marquess of
Touche, Gordon Cosmo
Wallace, Captain D. E. (Hornsey)
Warrender, Sir Victor A. G.
Wedderburn, Henry James Scrymgeour-
Wells, Sydney Richard
Weymouth, Viscount
Whiteside, Borras Noel H.
Whyte, Jardine Bell
Williams, Charles (Devon, Torquay)
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Young, Rt. Hon. Sir Hilton (S'v'noaks)

TELLERS FOR THE NOES.—Lord Erskine and Commander Southby.

Original Question put, and agreed to.

PAY, ETC., OF THE ROYAL AIR FORCE.

Resolved,

"That a sum, not exceeding £4,110,000, e granted to His Majesty, to defray the xpense of the Pay, etc., of the Royal ir Force at home and abroad, exclusive f those serving in India (other than Aden), hich will come in course of payment durng the year ending on the 31st day of larch, 1934."

WORKS, BUILDINGS AND LANDS.

Motion made, and Question proposed,

"That a sum, not exceeding £1,610,000, be granted to His Majesty, to defray the Expense of Works, Buildings, Repairs, and Lands, including Civilian Staff and other Charges connected therewith, which will come in course of payment during the year ending on the 31st day of March, 1934."

11.47 p.m.

Lieut.-Colonel HENEAGE: I should like to draw attention to the hardships

[Lieut.-Colonel Heneage.]

that will be incurred by the inhabitants of Mablethorpe and the sea coast of Lincolnshire and holiday makers from Leicester, Nottingham and other Midland towns if one of the proposed actions of the Air Ministry takes place. They propose to take all the available sands between Cleethorpes and Mablethorpe for the purpose of a machine gun range and even at one time proposed to shut off part of the town planning area of Mablethorpe itself. As a result of negotiations I am glad to say they have undertaken not to carry out operations on the range during the months of August. I should like to thank the Under-Secretary for having met us in that way. They have also agreed to shut down the range on Saturdays, Sundays and Bank Holidays, for which I thank them. I should like to suggest that they keep the sands free during July. I recognise the difficulties of the Air Ministry in the matter and so I am sure do the councillors and the inhabitants of Mablethorpe, but the shopkeepers and farmers and agricultural labourers depend on the summer visitors who come to these marvellous sands, the finest in England, and, if they are debarred from coming to them in July, it will create great local hardship. I need hardly stress the importance in this industrial age of allowing fresh air outlets among healthful surroundings to the industrial Midlands during the holiday season. The Air Ministry hitherto have said that they cannot meet us as far as July is concerned. I suggest as a compromise—though I have not the authority of the urban district for doing so—that they should allow us the last 10 days in July in addition to August. I ask it because the August Bank Holiday comes in the first week of August and holiday-makers send their families on before the Bank Holiday, during the last weeks of July. For this purpose they naturally require the use of the sands for their wives and children.

I also suggest that machine gunning on this part should not take place. The House is probably not aware that the Air Ministry proposes to use these sands for machine gunning as well as bombing and that the bombing takes place outside in the water. If machine gunning is not allowed, it will be quite evident that the sands will be available for the holiday makers. I should also like to suggest that the Air Minister should meet the wishes of the urban district, which have been communicated to him, because these bodies would welcome the Air Force coming to Lincolnshire. It is a great pity that there should arise the present feeling against the Air Force and that it should be accentuated. We wish that the bad feeling which at present exists should die away, and, as far as I possibly can, I will do all in my power to effect this. Having suggested what I consider would meet the wishes of my constituents, I hope very much that the Air Minister will meet us in this matter.

11.57 p.m.

Mr. DUCKWORTH: I must apologise for detaining the Committee at this extremely late hour. The point I wish to raise on this Vote is one which, though purely a local one, is of very considerable interest to many of my constituents. It concerns the vacant land and buildings at Harlescot just outside Shrewsbury, which were occupied from the middle of the War up to March a year ago by the Mechanical Transport Repair Depot of the Department of my right hon. Friend. This depot was established at very considerable expense during the War and doubtless at inflated prices. The property covers nearly 60 acres, and the capital cost of the land and buildings amounted to about £550,000. As may be readily imagined, this depot, with an establishment of about 400 men, was a considerable asset both to the town and trade of Shrewsbury, and it came as a very severe blow to the town when, doubtless for very good reasons of economy, it was decided to abandon the depot in March of last year. The blow was to some extent softened by the prospect that the whole of the site might very speedily be put to some other use, but unfortunately the hopes that were held out have been entirely disappointed and the site has remained entirely vacant and unoccupied for the last 12 months.

From the point of view of housing alone, there are no less than 54 buildings, which include 38 houses, which constituted the married quarters, and three houses of a larger type which accommodated the officers. All those houses, together with the other buildings, have now been empty for 12 months. There must by now be very considerable depreciation, as week after week and month after month has gone by. Taking into account the housing shortage which exists in the borough of Shrewsbury and in other towns, it is scarcely surprising that many of my constituents regard the situation as a very unusual case of scarcity in the midst of plenty. In this connection, it is interesting to note that the Ordnance Office at Pembroke Dock is shortly to be moved to Shrewsbury. During January the Assistant Director of Ordnance at Pembroke Dock wrote to the town clerk of Shrewsbury and asked for information as to suitable housing accommodation in the town.

The DEPUTY-CHAIRMAN: Whatever else for which the Air Ministry may be responsible, they are not responsible for Ordnance.

Mr. DUCKWORTH: I bow to your Ruling, Captain Bourne, but I only wish to point out, in reply, that it was stated that there was great difficulty in providing houses, when strangely enough, another Government Department was keeping no less than 40 houses unoccupied just outside the town. I am well aware from the questions which I have put in the past upon this matter that the Air Ministry are anxious to dispose of the whole of the property in one lot, and that hopes have been entertained that it would be purchased by some industrial undertaking. I believe that negotiations have actually been carried out with that end in view, but so far they have been unsuccessful and nothing more has come of them. I admit that there may be very good arguments for trying to dispose of the whole site in this manner if, indeed, a better price can be obtained, and if there is a real likelihood of some industrial undertaking purchasing the site. Doubtless it is only right that a reasonable time should be allowed to elapse and a fair chance given to the policy of disposing of the site in this way. But the present situation cannot be continued indefinitely, because there is another side to the question, and the very considerable depreciation which is involved in keeping the premises unoccupied must be taken into account.

From the information which has been supplied to me locally, I understand that the chances of selling the property to an industrial undertaking are extremely slender. The buildings themselves, other than the houses, are quite unsuitable for industrial purposes, and they will probably have to be demolished and completely rebuilt, and the value in that respect would probably be very negligible. It follows that either extremely advantageous terms should be held out to any intending purchaser, or else some alternative method to dispose of the property should be considered. In view of the time which has elapsed, I seriously suggest to my right hon. Friend that the sale of the property in lots might be considered. At any rate, it would enable the valuable housing accommodation to be put to some use. I shall be very glad if my right hon. Friend can give me some indication as to the attitude of his Department, and of the prospects there may be of disposing of the site and getting it put to some useful purpose.

12 m.

Mr. LEWIS: I want to call attention to the action of the Air Ministry in regard to property they have acquired at Hampstead Heath. It consists of a house and garden, situated at the very highest point of the Heath and pretty nearly in the centre of the Heath. It is, therefore, visible from many parts of the Heath. There is a town planning scheme which affects property adjoining the Heath on different sides, and it covers the land on which the property stands. This scheme has recently been put into operation. The Air Ministry, as a defence service, is not subject to Town Planning Acts and can, if it so wills, disregard a town planning scheme. I submit that that exception was given to them in order that they might not be hampered in works of defence by the operation of a town planning scheme. It was not meant to apply to such a case as this, because this property is not required for the purpose of an aerodrome, or for flying or bombing; it is to be used as the general headquarters and officers' mess for the auxiliary air squadron of the county of Middlesex. In these circumstances the Air Ministry should observe the terms of the town planning scheme, exactly like any other owner would be compelled to do. The London County Council and the Hampstead Borough Council have both protested and have been for some time in negotiation with the Air Ministry on the matter.

[Mr. Lewis.]

The Under-Secretary of State for Air stated in this House last July that no formal undertaking had been given that the terms of the town planning scheme would be observed, but that he hoped a satisfactory solution would be come to. He added that the main proposals in regard to the premises were for the internal adaptation of the house for the purpose for which it was required. The proposals go much further than that, otherwise the town planning scheme would not be affected and the Hampstead Borough Council would not be affected. There is a proposal to erect additional and unsightly buildings. In November of last year the Under-Secretary stated in the House that he was glad that an agreed settlement on the question had been reached, and that the plans of certain additional buildings were to be discussed with the London County Council. I understand that the County Council are still not satisfied with the proposals of the Ministry.

The Minister of Health is in his place, and I hope he will support me in this case. It is useless to bring forward town planning schemes if Government Departments are going to disregard them. The Minister of Health sent out a circular recently to local authorities pointing out the advantages of applying town planning schemes. In effect, the Under-Secretary of State for Air is saying that in the opinion of his Department this particular town planning scheme, which has only just come into operation in Hampstead, is unnecessary and unreasonable, and that he, speaking for the Air Ministry, will not comply with it. That is an attitude which, having regard to the purpose for which the building is required, should not be insisted upon by the Air Ministry. I make an appeal to the Under-Secretary. He has some reputation as a patron of the arts. He is reputed to be a lover of beautiful things. Does he wish his name to go down to posterity as that of a man who is largely responsible for the disfigurement of one of the most beautiful open spaces in London? I realise that the Secretary of State is not in the House and that the Under-Secretary of State must be guarded in his reply, but I hope he will be able to assure us that he will do his best to get the Ministry to abandon the attitude they have taken up and instead to agree to do what any other owner under these circumstances would be compelled to do, namely, to follow the lines of this town planning scheme, which has only just been introduced. I hope that, in taking that attitude, I shall have the support of the Minister of Health.

12.6 a.m.

Mr. LOUIS SMITH: I want to support the appeal made by my hon. and gallant Friend the Member for Louth (Lieut.-Colonel Heneage). I can fully sympathise with those who have used those attractive sandhills at Mablethorpe on the Lincolnshire coast. I represent a constituency that is very much interested, because large numbers of people from Sheffield take their children to these sandhills, and one can fully realise that to find their cricket pitches and so on giving way to bombing practice and machine-gun practice would be rather a shock to them when they go down to these seaside places. The hon. and gallant Member for Louth appealed for restrictions to be put on this bombing practice in the latter part of July each year. I would appeal to the Minister to extend that period from the middle of July to the end of August, because I think that during the few weeks when, in the industrial areas, they look forward to the quiet, peaceful atmosphere of these delightful seaside resorts of Mablethorpe and Sutton, we could, on their behalf, ask the Air Ministry to give them an extra fortnight or so. One feels that it is a sad thing that the quiet and peace of the Lincolnshire coast should be given up to this bombing practice. We are very proud indeed to have the Air Force at Cranwell, and we are wishful to help the Air Force in Lincolnshire in every way possible, but on behalf of those who use these seaside places we appeal to the Secretary of State to do what he can to restrict the nuisance which it would be to have this practice going on during the period I have mentioned.

12.8 a.m.

Sir P. SASSOON: I think the hon. Member who has just sat down, who, in company with the hon. and gallant Member for Louth (Lieut.-Colonel Heneage), has on several occasions during the past year discussed the matter of these ranges at Mablethorpe, will be prepared to admit that we have on every occasion shown the greatest possible good will and desire to meet them on almost every point, but I do not believe that anybody unfamiliar with the whole subject who had been listening to the speech of the hon. and gallant Member for Louth this evening would have had any idea of how kind and considerate we have been to him and the constituents whom he so well represents in this House. He knows all the difficulties, and I do not want to recapitulate them to-night or to weary the House at this late hour by talking about this matter at any great length, but I think the hon. and gallant Member is very ungrateful. He asks if he can have 10 particular days at the end of July, and, although we cannot meet him actually on that point, we are prepared to say that we will consult with the local authorities and the people concerned, and try to arrange our programme in such a way as to cause the least inconvenience to the townspeople, the inhabitants, and the holiday makers at those very beautiful sands that he has described so lyrically to-night. With regard to the town planning scheme, the hon. and gallant Member said we have taken part of the Mablethorpe town planning area.

Lieut.-Colonel HENEAGE: I said in my speech that they had even at one time proposed to shut off part of the town planning area of Mablethorpe, but I understand they do not propose to do so now.

Sir P. SASSOON: I thought the hon. and gallant Member rather gave the impression to the House that we had encroached on that scheme, but we have not done so at all. I do not think I can say anything more at the moment but reiterate our desire to meet him where we can on this matter. If he will leave it to us we will do the best we can.

With regard to the depot at Shrewsbury, again I do not think I can say anything further. We put that depot in the market with the houses adjoining because we imagined that it would be easier, in these days of financial depression, to get rid of it to some firm, and that the houses would be useful for the employés of a firm. That is the reason why we do not want to separate the houses from the depot. I hope things will get better soon and that we shall have an offer for the depot and the houses. Then there was the question regarding the buildings for 604 Squadron at Heath Brow. I really was unable to follow the hon. Member, because I consider that the situation is on the whole very satisfactory. We had put forward designs for this particular building, a drill hall, but we have now said that we will prepare another design, and only if that design is approved by the London County Council and the Borough Council shall we proceed with it. In those circumstances I think the hon. Member has got a very satisfactory answer to his question.

Mr. LEWIS: That is the first time, as far as I am aware, that that statement has been made publicly. It is quite satisfactory.

Question put, and agreed to.

TECHNICAL AND WARLIKE STORES (INCLUDING EXPERIMENTAL AND RESEARCH SERVICES).

Motion made, and Question proposed,

"That a sum, not exceeding £7,203,000, be granted to His Majesty, to defray the Expense of Technical and Warlike Stores (including Experimental and Research Services), which will come in course of payment during the year ending on the 31st day of March, 1934."

12.15 a.m.

Mr. PERKINS: On this Vote I wish to ask a question about parachutes. There are three types of parachutes manufactured in this country. The Irvine parachute, which is made in England, and I understand is controlled by foreign capital. A second type, which I use, is the Russell-Lobe, which is controlled by British capital; and a third, the Quilter, which is approximately half the price of the other two. Why does the Ministry prefer to buy the parachute which is to a large extent foreign? Has the Quilter parachute been tested and proved reliable in every respect? There is another matter which I raised two months ago, about the sale of 20 Gypsy I engines. I received a circular stating that these engines were bought two or three years ago, that they have never been used, and were perfect in every respect. I have made certain inquiries, and I find that the sum paid for these engines was in the neighbourhood of £4,000. I find that these engines are practically value-

[Mr. Perkins.]

less. I ask the Under-Secretary whether he has succeeded in selling them, and, if so, for how much?

Sir P. SASSOON: I could not give an answer without obtaining some more definite information, but I will get a reply to both questions and communicate with my hon. Friend.

Question put, and agreed to.

CIVIL AVIATION.

Resolved,

"That a sum, not exceeding £490,000, be granted to His Majesty, to defray the Expense of Civil Aviation, which will come in course of payment during the year ending on the 31st day of March, 1934."

Resolutions to be reported upon Thursday; Committee to sit again To-morrow.

LOCAL GOVERNMENT (GENERAL EXCHEQUER CONTRIBUTIONS) BILL.

Considered in Committee.

[Captain BOURNE in the Chair.]

CLAUSE 1.—(*Amounts to be included in, and amounts to be paid out of the Road Fund towards, General Exchequer Contributions for England and Scotland in second fixed-grant period.*)

12.18 a.m.

Mr. CHARLES WILLIAMS: I beg to move, in page 1, line 18, to leave out the words "fifty thousand," and to insert instead thereof the words "forty-nine thousand six hundred."

My Amendment is to reduce the sum by £400. I would like to make it plain that this Amendment reduces the sum which goes to Scotland. I would like also to make it perfectly plain to any Scottish hon. Member that this is not in any sense an attack upon Scotland. It simply alters the proportion of money which is being continually balanced in favour of Scotland against the general English taxpayer. That is a thing which ought to be protested against and shown up very clearly in the House of Commons. As was explained by the Under-Secretary of State for Scotland the other day, we are giving at the present time a certain amount of new money which is fixed by law and therefore cannot be discussed, and we are giving an additional £2,000 to England and £500 to Scotland. The new money is in the proportion of one to four, while the surplus is in the proportion of two to seven. The only proper proportion for Scotland—there was a mistake in the previous Act, which enabled the sum to be balanced in the wrong way, thanks to the Chancellor of the Exchequer of the day, or the efficiency of the hon. Member for Leith (Mr. E. Brown)—is 11 to 80. I want to know whether the Minister or the Under-Secretary can give us any reason why this additional surplus sum should continue at so high a proportion beyond what has been laid down for Scotland. I ask the Under-Secretary of State whether he could not accept a reduction on this small sum of money, so that he might, at any rate, show good will towards the general taxpayer. I would like to give one additional reason for raising this point. We have been asked, as Members of Parliament, by Chancellor of the Exchequer after Chancellor of the Exchequer, to look at the Estimates, and at Measures as they come in, and, where we see needless expenditure of this kind, to use our best influences to try to get it put right. The Government which appealed to private Members to refrain from increasing expenditure is apparently quite needlessly adding to the burdens of the taxpayer.

12.21 a.m.

The UNDER-SECRETARY of STATE for SCOTLAND (Mr. Skelton): The Committee will appreciate, I have no doubt, the general proposition of my hon. Friend that the House of Commons should scrutinise with great care every Estimate and every Vote that comes before it, and the Committee will, I am sure, sympathise with and appreciate the meticulous and anxious care of my hon. Friend on behalf of the Government. I should be the last to support any proposal that was not thoroughly in keeping with the principles of sound economy and sound legislation. It is on the latter ground, in particular, that I suggest to my hon. Friend that the Amendment that he is moving is unnecessary. The facts are, as the Committee well knows, that, in accordance with the provisions of the Local Government Act, 1929, a certain sum of what was called new money was found by Parliament for the assistance of local government, and, at the end of the first period of revision, that amount, which is determined by a variety of factors with which I need not weary the Committee, comes out for Scotland as an additional sum of £100,000, less £500. The Estimate is still provisional, and it is not possible at this date to give an absolutely fixed estimate as to the actual and accurate amount which the application of the formula will bring out. Therefore, in the Bill which is before the Committee, an additional £500 has been given in the case of the Scottish new money, and an additional sum of £2,000, in the case of the English new money.

This very small amount of elbow-room is in both cases necessary. It would unduly hamper the work of the Government and of the Departments in working out the proper figure if there were not this small margin. If it turned out that the provisional estimates were, even to the smallest extent, greater than the proposals of the Bill, we might find that we had not asked the Committee for a sufficient sum to fulfil the requirements of the Act of 1929. My hon. Friend appreciates that, because he would allow us a marginal sum of £100. As I say, the Estimate is still only provisional, and you are dealing with a sum of £100,000, I cannot therefore think that it would be wise for the Committee to restrict that marginal sum to so small a figure as £100. I ask my hon. Friend, now that he has brought the matter before the Committee and has shown such an admirable sense of the value of the Union by fortunately refusing to make any attack upon my native country of Scotland, to be so kind, in the interests of good administration, as to withdraw his Amendment.

12.25 a.m.

Mr. C. WILLIAMS: The Under-Secretary of State for Scotland has not answered the point that I put to him regarding the proportion. On the last occasion, he and the great National Government, not finding any arguments, had to appeal to the hon. Member for Dumbarton Burghs (Mr. Kirkwood) to save them. Remembering that, and the lateness of the hour, and after the appeal that the hon. Gentleman has made, I think that it would be kinder, rather than attack the Government, who have not got the hon. Member for Dumbarton Burghs here, if I asked leave to withdraw the Amendment.

Amendment, by leave, withdrawn.

Motion made, and Question, "That the Clause stand part of the Bill," put, and agreed to.

Clause 2 (*Short title*) ordered to stand part of the Bill.

Bill reported, without Amendment; to be read the Third time upon Thursday.

The remaining Orders were read, and postponed.

It being after Half-past Eleven of the Clock upon Tuesday evening, Mr. DEPUTY-SPEAKER *adjourned the House, without Question put, pursuant to the Standing Order.*

Adjourned at Twenty-seven Minutes after Twelve o'Clock.

HOUSE OF COMMONS.

Wednesday, 15th March, 1933.

The House met at a Quarter before Three of the Clock, Mr. SPEAKER *in the Chair.*

NEW WRIT.

For the Borough of Rhondda (East Division), in the room of Lieut.-Colonel David Watts-Morgan, C.B.E., D.S.O., deceased.—[*Mr. Edwards.*]

PRIVATE BUSINESS.

Ministry of Health Provisional Order (Sheffield) Bill,

Ministry of Health Provisional Order (Torquay) Bill,

Read a Second time, and committed.

ORAL ANSWERS TO QUESTIONS.

FOREIGN VISITORS (PASSPORT VISAS).

1. **Mr. MANDER** asked the Secretary of State for Foreign Affairs the names of the countries whose citizens are able to enter Great Britain without a passport visa?

The LORD PRESIDENT of the COUNCIL (Mr. Baldwin): Visas to enter Great Britain are not required by nationals of the following countries:

Austria.
Belgium.
Czechoslovakia.
Denmark.
France.
Germany.
Italy.
Luxemburg.
Netherlands.
Norway.
Portugal.
Saar Basin.
San Marino.
Spain.
Sweden.
Switzerland and Lichtenstein.
Vatican State.

Mr. MANDER: Does my right hon. Friend not think it desirable to add the United States to that list?

LEAGUE OF NATIONS (POLISH CORRIDOR).

2. **Mr. MANDER** asked the Secretary of State for Foreign Affairs if he will consider the advisability of proposing to the Council of the League of Nations, in view of the existing tension with regard to the Polish Corridor, that a neutral commission, on the lines of the Lytton Commission, should be set up to study this problem and make recommendations for its solution?

Mr. BALDWIN: No, Sir.

Mr. MANDER: In view of the exceedingly critical state of affairs in that area, do not the Government think it desirable to take some action?

Mr. BALDWIN: The only action that I have before me is the action suggested by the hon. Member, and I do not think that is very helpful.

Mr. MANDER: Is it not possible for the Government to think of something more useful?

Mr. BALDWIN: We will try.

Mr. HOLFORD KNIGHT: Is it not the case, as reported in this morning's Press, that this difficulty is well on the way to solution?

Mr. BALDWIN: Even if it has been so reported, I think that is the case.

RUSSIA: BRITISH SUBJECTS (ARRESTS).

3. **Mr. POTTER** asked the Secretary of State for Foreign Affairs whether he can now make a statement regarding the recent arrest and detention of four British subjects by the Moscow secret police?

4. **Sir NICHOLAS GRATTAN-DOYLE** asked the Secretary of State for Foreign Affairs whether he can now give further information concerning the raid on the offices of the Metropolitan-Vickers Company, Limited, in Moscow, and of the arrest of prominent officials of that company?

Mr. BALDWIN: Yes, Sir. The information which I have received from His Majesty's Ambassador at Moscow confirms the Press reports to the effect that the following British subjects, Messrs. Monkhouse, Thornton, Cushny, MacDonald, Gregory and Nordwall, employed by the Metropolitan Vickers Company, together with more than 20 Soviet citizens employed by the same firm, have been arrested by the Soviet political police on a charge of sabotage of electrical machinery. Messrs. Monkhouse and Nordwall have since been provisionally released on an undertaking not to leave Moscow. The other persons arrested are still in custody and His Majesty's Ambassador has visited them in prison. Their health appears to be generally satisfactory and permission to exercise has been promised.

Immediately on receipt of news of the arrests His Majesty's Ambassador at Moscow made urgent representations to the Commissariat for Foreign Affairs, requiring to know, among other points, exactly on what charge the arrests had been made, and what facilities for their defence would be granted them. As he has received no categorical or satisfactory answer on these matters, he has been instructed to press for the fullest possible information from the Commissar for Foreign Affairs, Monsieur Litvinoff.

Moreover, as His Majesty's Government are convinced that there can be no justification for the charge on which the arrests were made, Sir Esmond Ovey has been instructed to represent in strong terms the grave view which they take of these proceedings against British subjects of high standing engaged in normal commercial pursuits to the benefit of both countries, and the unfortunate consequences to Anglo-Soviet relations which may follow unless it is rectified; and similar language will be held to the Soviet Ambassador in London to-morrow, as His Excellency has been unable to come to the Foreign Office to-day.

Sir N. GRATTAN-DOYLE: May I ask my right hon. Friend, first, whether he has any information with regard to the raids on the company's offices that took place at Leningrad; and, secondly, whether the Government will not at once press for the release of the other British subjects who are in custody, and press for full satisfaction with reference to this outrage?

Mr. BALDWIN: With regard to the first question, if my hon. Friend will put any question on the Paper, I will give him all the information as it comes to hand. The information is rather slow in coming through. With regard to the second question, I would only add that we do regard it as a very grave matter, and we shall take all steps possible.

Sir WILLIAM DAVISON: Do the Government not now realise the futility of the policy that they have hitherto adopted, of allowing British subjects——

HON. MEMBERS: Order, order!

Mr. THORNE: You remember how you "pinched" Tom Mann.

TRADE AND COMMERCE.

BUSINESS TAX, HANKOW.

5. **Mr. NUNN** asked the Secretary of State for Foreign Affairs whether his attention has been called to the attempt to levy business taxes from foreigners in Hankow; and whether he will secure from the Chinese Government a confirmation of the undertaking that British subjects shall be liable only to pay such regular and legal Chinese taxation not involving discrimination as is in fact imposed on and paid by Chinese citizens throughout China?

Mr. BALDWIN: The answer to the first part of the question is in the affirmative. As regards the second part, my hon. Friend, I think, somewhat misapprehends the position. It is not a question of an undertaking by the Chinese Government, but of a voluntary offer made by His Majestys' Government to extend the liabilities of British subjects in the manner described in the question. The Chinese Government have been reminded of the terms of that offer in connection with the business tax at Hankow.

JAPANESE COMPETITION (WEST AFRICA).

22. **Mr. HAMMERSLEY** asked the Secretary of State for the Colonies whether he is able to recommend any action to be taken by Colonial Governments to deal with Japanese competition in the West African Colonies?

The SECRETARY of STATE for the COLONIES (Sir Philip Cunliffe-Lister): As my right hon. Friend the President of the Board of Trade has recently stated in reply to several questions, the whole

[Sir P. Cunliffe-Lister.]

problem of Japanese competition is at present under His Majesty's Government's consideration.

Mr. HAMMERSLEY: May we take it from that answer, that my right hon. Friend is considering the possibility of certain Colonies withdrawing from the Anglo-Japanese trade agreement without prejudice to this country's position as it affects the treaty between Japan and this country?

Sir P. CUNLIFFE-LISTER: As soon as my right hon. Friend the President of the Board of Trade is in a position to do so, I am sure he will make a full statement to the House.

Argentine.

41. **Captain FULLER** asked the President of the Board of Trade how much of our adverse balance of trade for 1932 with the Argentine was due to interest payments on our investments in that country and for shipping and banking services?

The PARLIAMENTARY SECRETARY to the BOARD of TRADE (Dr. Burgin): The estimated net income from overseas investments and from shipping and banking services is not calculated for individual countries.

Balance of Trade.

42. **Captain FULLER** asked the President of the Board of Trade to what extent our increased adverse balance of trade in 1931-32 was due to the importation of machinery and plant for the erection of new works in this country; to what extent our adverse balance of payments during this period has led to foreign investment in this country; and if the shrinkage of our income from overseas investment is in any way due to the drop which has occurred in foreign imports?

Dr. BURGIN: Omitting capital items, the excess of debits over credits in the balance of payments of this country was substantially less in 1932 than in 1931. I regret that no precise information is available on the points raised in the question.

DISARMAMENT CONFERENCE (ARMS MANUFACTURE).

6. **Mr. T. WILLIAMS** asked the Secretary of State for Foreign Affairs how many nations have yet replied to the questionnaire on the private manufacture of arms issued by Mr. Arthur Henderson, president of the Disarmament Conference; which were the nations concerned; and what was the nature of their replies?

Mr. BALDWIN: According to the most recent information received from Geneva 35 nations have replied to this questionnaire. With the hon. Member's permission I will circulate the list in the OFFICIAL REPORT. It would be impossible for me to give a résumé of all these replies within the compass of an answer to a question in this House.

Mr. WILLIAMS: In any case where countries have replied have they given the exact number and percentage of their people who produce arms exclusively?

Mr. BALDWIN: I require notice of that question.

Following is the list:

Panama.
Bulgaria.
Estonia.
Latvia.
Albania.
Portugal.
Afghanistan.
Turkey.
Siam.
Poland.
South Africa.
Greece.
Iraq.
Norway.
United Kingdom.
Lithuania.
Egypt.
Denmark.
United States of America.
New Zealand.
Rumania.
Japan.
France.
Irish Free State.
Belgium.
China.
Sweden.
Yugoslavia.
Finland.
Netherlands (Mother country).
Venezuela.
Italy.
Hungary.
Germany.
Persia.

7. **Mr. WILLIAMS** asked the Secretary of State for Foreign Affairs whether His Majesty's Government has yet replied to the questionnaire on the private manufacture of arms issued by Mr. Arthur Henderson, president of the Disarmament Conference; and, if so, whether the reply can be published?

Mr. BALDWIN: Yes, Sir. The reply of His Majesty's Government was sent to the Secretary-General of the League of Nations on the 30th December last. The reply has been circulated with others to all delegations of States represented at the Disarmament Conference and will doubtless be published by the League of Nations in due course. In the circumstances His Majesty's Government do not consider that they would be justified in incurring the expense entailed in publishing the reply in this country, but I am ready, if the hon. Member so desires, to have a copy of the reply placed in the Library of the House.

Mr. WILLIAMS: I would thank the right hon. Gentleman for the latter part of that reply.

CHINA AND JAPAN (MUNITIONS).

8. **Mr. T. WILLIAMS** asked the Secretary of State for Foreign Affairs whether the efforts of His Majesty's Government have been directed to securing an agreement between the principal arms-exporting Powers to place an embargo only upon arms exported to the State declared by the League of Nations to be the aggressor in the conflict in the Far East or whether their policy was to try and secure an embargo on arms exported to both combatants?

Mr. BALDWIN: The efforts of His Majesty's Government have not been specifically directed to either one object or the other but to securing consideration of the matter with a view to the formulation of a policy acceptable to the world at large.

Mr. WILLIAMS: Does the right hon. Gentleman not feel that the suggestion in the question might be much more successful, in view of the decision recently taken by the Government?

Mr. BALDWIN: If the hon. Member had had to act in this matter I think he would realise the extreme difficulty of getting any agreement, whatever the case presented, in view of the position of other countries.

ROYAL NAVY.

HERRING DRIFTERS (AUXILIARIES).

9. **Sir MURDOCH MacKENZIE WOOD** asked the First Lord of the Admiralty how many herring drifters were engaged in the service of the Royal Navy during the War; whether it is still the view of the Admiralty that these drifters would be required as auxiliaries to the Fleet in the event of a war; and, if so, whether he has taken any steps to assure himself that a sufficient number of these vessels in a sea-worthy condition are likely to be available in an emergency?

The FIRST LORD of the ADMIRALTY (Sir Bolton Eyres Monsell): About 1,150 drifters were taken up on Charter during the late War, but all of them were not in service at the same time. A number of drifters will probably be required in the event of a future war. The Admiralty are fully alive to the importance of the fishing industry to the Royal Navy.

Sir M. WOOD: Is the right hon. Gentleman aware that practically all the drifters at present in commission were built before the War, and in most cases are out of date?

CADETS, DARTMOUTH.

10. **Vice-Admiral CAMPBELL** asked the First Lord of the Admiralty what is the cost to the State of an officer entered as a cadet at Dartmouth College till the age of 20; and what is the cost to the State of an officer entered as a special-entry cadet till the age of 20?

Sir B. EYRES MONSELL: I presume that the inquiry relates to executive officers. The approximate net cost to the State of an officer entered as a cadet at Dartmouth is £1,200, and that of an officer entered as a special-entry cadet is £900, until promotion to the rank of midshipman. These figures include the additional cost to keep the "Frobisher" in commission as a cadet training ship instead of as a reserve fleet ship. After an officer becomes a midshipman he takes his place in the ship and his pay, etc., is not charged against the cost of his training.

Mr. MORGAN JONES: How many years does that sum of money cover?

Sir B. EYRES MONSELL: Six years.

19. **Mr. ANEURIN BEVAN** asked the First Lord of the Admiralty whether he will give the various scales of fees charged to the parents or guardians of cadets at Dartmouth College, and the

[Mr. Bevan.]
numbers now being educated there under these various scales?

The CIVIL LORD of the ADMIRALTY (Captain Euan Wallace): The fees charged to parents or guardians for cadets at Dartmouth College during the current term are as follow:

268 at £150 per annum.
30 at £100 per annum.
39 at £70 per annum.
40 at £40 per annum.

In addition, there are 12 King's cadets for whom no fee is charged.

Mr. JONES: Are these exactly the same persons as are referred to in Question No. 10?

Captain WALLACE: I expect so.

Mr. BEVAN: Is not the means test applied to them?

HIS MAJESTY'S SHIP "PRESIDENT."

11. **Vice-Admiral CAMPBELL** asked the First Lord of the Admiralty how many officers of the Royal Navy and Marines, respectively, were employed at the Admiralty and borne on the books of His Majesty's ship "President" on the following dates, 1st January, 1914, and 1st January, 1933; and what were the numbers of the personnel of the Royal Navy on these dates?

Sir B. EYRES MONSELL: The number of Naval and Marine Officers employed at the Admiralty, etc. on the 1st January, 1914, was 121. The personnel of the Royal Navy and Royal Marines on the same date numbered 144,554. The corresponding figures for the 1st January, 1933, were 212 and 90,037. The increase in the number of Naval and Marine Officers at the Admiralty, etc. is of course mainly due to the formation of a Naval Staff, which did not exist before the War.

INVALIDED RATINGS.

12. **Sir BERTRAM FALLE** asked the First Lord of the Admiralty the number of naval ratings invalided during the year 1st January, 1932, to 31st December, 1932; the total number invalided with tuberculosis during this period; and the number invalided with tuberculosis whose disability was accepted as attributable to service?

Sir B. EYRES MONSELL: The number of naval ratings and Royal Marines invalided during the year 1932 was 979. The number invalided during that period with Pulmonary Tuberculosis was 190 and in 148 of these cases pensions were granted on the attributable scale.

MATERIALS AND CLOTHING (LANDING).

13. **Sir B. FALLE** asked the First Lord of the Admiralty whether petty officers and men of the Royal Navy who purchase raw materials or new articles of clothing from the clothing stores in His Majesty's ships and establishments are permitted to land such materials or articles; and, if so, whether he will authorise the issue of passes the same as now supplied for the landing of provisions?

Sir B. EYRES MONSELL: The King's Regulations and Admiralty Instructions already prescribe that clothing for men's personal use may be landed if accompanied by a pass, as for provisions.

BEER BARS.

14. **Sir B. FALLE** asked the First Lord of the Admiralty whether, in view of the introduction and extension of the general messing system, he will reconsider the whole question of beer bars in chief and petty officers' messes in shore establishments and permit the messes to run the bars themselves for their own mess funds like sergeants' messes in Royal Marine barracks?

Sir B. EYRES MONSELL: The present management of these bars by Navy, Army and Air Force Institutes is, so far as the Admiralty are aware, quite satisfactory, and as my hon. Friend knows the present proposal has been rejected in the past on more than one occasion after full consideration. I am willing, however, to call for reports from the Commanders-in-Chief at the home ports on the working of the present system and on the desirability or otherwise of the change suggested.

ROYAL MARINES.

15. **Lieut.-Commander AGNEW** asked the First Lord of the Admiralty the numbers of officers and men of the Royal Marines serving in sea-going ships of the Royal Navy, and the numbers serving in shore establishments and barracks?

Sir B. EYRES MONSELL: 4,512 and 4,830.

PROMOTION.

16. **Mr. COCKS** asked the First Lord of the Admiralty the number of Dart-

outh and special entry cadets to be ntered in the executive and engineering ranches during 1933 and the number of ommissions available for lower-deck tings in these branches under the new cheme of promotion from the lower eck?

The PARLIAMENTARY SECRETARY o the ADMIRALTY (Lord Stanley): It as been announced that 13 executive nd six engineering cadetships will be ffered at the special entry examination n June. It has also been announced hat the total number of special entry xecutive cadetships in the present year vill not be less than 25. The total numer of engineering appointments is not et known. It is too early to state the umber of cadets who will be entered hrough Dartmouth and the number of ommissions which will be given to lowereck ratings in the present year.

17. **Mr. COCKS** asked the First Lord of the Admiralty why the number of commissions awarded to the seaman branch was reduced from 12 in 1931 to eight in 1932, seeing that 13 candidates were recommended by the fleet selection boards; and why only four of the 20 ngine-room ratings, recommended for sub-lieutenant (E), were commissioned?

Lord STANLEY: Of the 13 candidates for executive commissions who were recommended by fleet selection boards, only eight were qualified for promotion. The engineering candidates who were recommended by the fleet selection boards had subsequently to take a qualifying examination and to come before an Admiralty Selection Board who further considered their suitability and selected four, having in view Fleet requirements.

18. **Mr. COCKS** asked the First Lord of the Admiralty the number of commissions awarded under the mate and mate (E) schemes each year between 1913 and 1932, inclusive; the number of cadets entered in the executive and engineering branches under the special entry scheme each year since its introduction; and the numbers of each class promoted to the rank or equivalent rank of commander and the years?

Lord STANLEY: As the reply contains a tabular statement, I will, with my hon. Friend's permission, circulate it in the OFFICIAL REPORT.

Following is the answer:

The numbers of annual promotions to the rank of acting mate and acting mate (E) are as follow:

Year.	Acting Mate.	Acting Mate (E).
1913	44	—
1914	31	14
1915	108	28
1916	51	42
1917	92	52
1918	43	17
1919	Nil	10
1920	11	6
1921	3	7
1922	6	6
1923	6	5
1924	6	5
1925	5	5
1926	9	5
1927	7	5
1928	8	5
1929	5	4
1930	6	4
1931	12	4
1932	8	4

Up to and including the year 1923, special entry naval cadets were not earmarked for executive or engineering duties. The figures given below for the years 1913 to 1923, inclusive, show the total number of special entry naval cadets entered for either of these duties. The figures for the years 1924 onwards show the numbers entered for executive duties and for engineering duties separately.

For Executive and Engineering duties.

1913	42
1914	62
1915	63
1916	83
1917	134
1918	158
1919	46
1920	15
1921	16
1922	15
1923	15

	Executive duties.	Engineering duties.
1924	15	6
1925	28	34
1926	28	47
1927	30	41
1928	18	19
1929	14	22
1930	11	23
1931	12	22
1932	16	16
1933 (up to date)	10	5

The following promotions from ex mates and ex mates (E) to commander and engineer commander, respectively, have been made:

	Commander.	Engineer Commander.
Up to 1925 inclusive.	Nil	Nil
1926	1	—
1927	—	3
1928	1	6
1929	2	7
1930	2	8
1931	2	8
1932	2	8

The following promotions to commander and commander (E), respectively, have been made from ex-special entry cadets:

	Commander.	Commander (E).
Up to 1928 inclusive.	Nil	Nil
1929	—	3
1930	—	4
1931	4	3
1932	8	6

20. **Mr. A. BEVAN** asked the First Lord of the Admiralty whether he will give the total numbers of seamen and engine-room ratings throughout the Navy who took the higher educational test for commissioned rank, in October last, under the new regulations whereby all five papers have to be taken at one examination; and the numbers who passed?

Captain WALLACE: Twenty-one seaman ratings and 22 engine-room ratings took the examinations referred to. Five passed in each class.

21. **Mr. BEVAN** asked the First Lord of the Admiralty whether, considering the disappointing results, one first-class certificate in gunnery and one in torpedo and none at Greenwich College, obtained by the 12 sub-lieutenants (ex-able seamen) who took the mates' courses for lieutenant during 1932, any action is to be taken on similar lines to the preliminary training of midshipmen to enable future officers promoted from the lower deck to achieve the same standards as sub-lieutenants (ex-cadets)?

Captain WALLACE: The officers referred to were promoted under the old "mate" scheme. All future promotions will be made under the new scheme outlined in the statement by the First Lord on 20th May, 1931. That scheme provides for the officers selected from the lower deck to undergo a preliminary course at Greenwich which is designed to enable them to compete on equal terms with the officers from the cadet entries, with whom they will undergo the usual sub-lieutenants' courses at Greenwich and Portsmouth.

STRAITS SETTLEMENTS.

23. **Mr. CAMPBELL** asked the Secretary of State for the Colonies whether he is aware that the Governor of the Straits Settlements has recently taken action to restrict the ancient Chinese custom of cracker firing during their New Year festival; and, as this action and the wording of the official notice on the subject is causing widespread resentment, will he direct the withdrawal of the restrictions forthwith?

Sir P. CUNLIFFE-LISTER: I have seen the Governor's notification in the Press, but I have no official information in regard to it. I will ask the Governor for a report on the circumstances in which it was issued.

Mr. CAMPBELL: Will the right hon. Gentleman ask the Governor what possible use there can be in upsetting our friends the Chinese in the Straits Settlements by trying to restrict one of their most ancient customs and superstitions?

Sir P. CUNLIFFE-LISTER: I should think that the use of fireworks in reasonable quantities could certainly not give rise to serious objection either among the Chinese or in this country, but it may be, in this case, that the volume, velocity and frequency were considerations.

ROYAL AIR FORCE.

HINAIDI AERODROME, BAGDAD.

24. **Captain HAROLD BALFOUR** asked the Under-Secretary of State for Air if he can make any statement as regards the abandoning of Hinaidi aerodrome, Bagdad, and the proposed construction of another base 50 miles away; and if he will state the amount spent to date on the construction and maintenance of Hinaidi aerodrome and the amount to be received in compensation from the Iraq Government?

The UNDER-SECRETARY of STATE for AIR (Sir Philip Sassoon): As the answer is long I will, with my hon. and gallant Friend's permission, circulate it in the OFFICIAL REPORT.

Following is the answer:

As regards the first part of the question, the Anglo-Iraq Treaty of 1930 (Command Paper 3627) provides for the withdrawal of the British Forces from Hinaidi and Mosul within five years of the admission of Iraq to membership of the League of Nations. The forces will be transferred to a new base which, in accordance with the terms of the Treaty, will be to the west of the Euphrates in the neighbourhood of Lake Habbaniya on land which is being placed at the disposal of His Majesty's Government by the Iraq Government.

As regards the second part of the question, I regret that I am not in a position to state the total amount spent on the construction and maintenance of the cantonment at Hinaidi. The cantonment was originally constructed by the Army for the large garrison of British and Indian troops and since it was taken over by the Air Ministry 11 years ago, has been adapted to the constantly diminishing requirements of the Royal Air Force.

The Iraq Government have agreed to take over the permanent buildings and plant at Hinaidi together with the permanent buildings and plant at Mosul at one-third of the cost price as certified by the Air Ministry, an arrangement which is embodied in the agreement on financial questions published as Command Paper No. 3675. I may add that the original cost of the permanent buildings and plant at Hinaidi has been assessed at approximately £1,000,000.

ACCOUNTS.

25. **Mr. DINGLE FOOT** asked the Under-Secretary of State for Air whether he has considered the Report of the Comptroller and Auditor-General on Appendix V of the Air Services Appropriation Account, 1931, stating that in 1928 the Ministry approved the provision at Mount Batten, Plymouth, of a lighter for the bulk storage of petrol for flying boats and marine craft; that the lighter was purchased and adapted at a total cost of over £8,000; that in 1929 the Ministry further approved the provision of storage tanks ashore for both aviation and motor transport spirit; that under this scheme one tank was provided at an expenditure of £408; that the lighter has not been used since its delivery at Mount Batten; that the flying-boat station has instead been drawing its supplies from a local oil company; and whether he will say for what reasons the two overlapping schemes were approved and state the precise cost of the lighter and its subsequent history?

Sir P. SASSOON: As the hon. Member is doubtless aware, it is the time-honoured practice of the House to entrust to the Public Accounts Committee the examination in the first instance of the various Appropriation Accounts. My Noble Friend takes the view, therefore, that it would not be in accord with constitutional custom to answer in detail the several points raised in this question in advance of consideration by the Public Accounts Committee. He feels it, however, necessary to point out that the preliminary account of the matter at issue, contained in the Air Services Appropriation Account for 1931, is both incomplete and, in his judgment, definitely misleading in certain material respects.

TRANSPORT.

AUTOMATIC TRAFFIC SIGNALS.

27. **Mr. HANLEY** asked the Minister of Transport if he will arrange to have arrows fixed to the standards of automatic traffic signals in all places where filtration to the left is permitted?

The MINISTER of TRANSPORT (Mr. Oliver Stanley): It is customary to use green arrows on light signals where filtration to the left is permitted. If my

[Mr. Stanley.]
hon. Friend will let me know of any case where this practice has not been followed I will have inquiries made.

MOTOR-CAR LICENCES.

28. **Captain ELLISTON** asked the Minister of Transport whether he will arrange for the extension of motor-car licences expiring on 30th September for a further period of one month on payment of a proportionate additional charge?

Mr. STANLEY: The owner of a motor-car who takes out a licence for the period 1st October to 31st December can surrender it on the 31st October and obtain a refund of two-thirds of the duty paid less a surrender fee of 10s. I cannot see my way to complicate the licensing system by making special arrangements for the extension of licences expiring on the 30th September in the manner suggested by my hon. and gallant Friend.

MOTOR DRIVERS' HOURS.

30. **Mr. BANFIELD** asked the Minister of Transport whether, in view of recent prosecutions at Stoke-on-Trent and elsewhere where it was difficult to prove offences owing to verbal orders as to route, rest, loading, and unloading not being possible to fulfil, he will seek powers at once to compel all drivers to be supplied with a time, route, and general instruction docket for the information of the police and the protection of both owners and drivers; and if he will take all possible steps to enable the operation of the hours Section of the Act?

Mr. STANLEY: I cannot add anything at present to the reply made on this subject on 8th February by my predecessor to the hon. Member for Thirsk and Malton (Mr. Turton), of which I am sending the hon. Member a copy.

MOTOR VEHICLES (FIRE-EXTINGUISHERS).

31. **Mr. HALES** asked the Minister of Transport if his attention has been drawn to the fact that the town of Kettering was in danger of destruction on 14th February when a lorry loaded with high explosives caught fire in the heart of the shopping centre; and, having regard to the fact that this fire was extinguished with the aid of a fire-extinguisher carried on the lorry, will he take steps to make the carrying of fire-extinguishers on all motor vehicles compulsory?

Mr. STANLEY: By an Order of the Secretary of State petrol-driven motor vehicles conveying explosives are required to carry chemical fire-extinguishers. I do not regard the occurrence as a justification for requiring all vehicles to carry fire-extinguishers.

Mr. HALES: If that is the case, why should fire-extinguishers be made compulsory on all omnibuses and public vehicles?

Mr. STANLEY: That does not seem to arise out of the question.

48. **Mr. HALES** asked the Secretary of State for the Home Department whether he is aware that the Petroleum (Motor Vehicles) Regulation, 1929, providing for the installation of fire-extinguishers in all garages, has never been enforced; and if he will now instruct the Metropolitan Police to take the necessary steps to see that this regulation is observed?

The SECRETARY of STATE for the HOME DEPARTMENT (Sir John Gilmour): I presume the hon. Member is referring to the requirement that in places to which the regulations apply there shall be kept fire-extinguishing apparatus of a type capable of extinguishing petrol fires, or a supply of sand or other effective means for extinguishing such fires. I have no reason to think that this requirement is not properly observed in the Metropolitan area; but if the hon. Member has any information to the contrary and will forward particulars to me I shall be glad to inquire into the matter.

Mr. HALES: Is my right hon. Friend not aware that in no single instance has any domiciliary visit been made regarding this regulation?

INDIA (JOINT SELECT COMMITTEE).

32, 33, and 34. **Sir CHARLES OMAN** asked the Secretary of State for India (1) on what system the representatives from India who are to attend for consultation with the Joint Committee of the Houses of Lords and Commons will be chosen;

(2) whether the representatives from India who are to be present at the meeting of the Joint Committee of the Houses of Lords and Commons will have the right of questioning witnesses;

(3) whether facilities will be afforded at the meeting of the Joint Committee of the Houses of Lords and Commons for the representatives of the services, as witnesses or otherwise?

The SECRETARY of STATE for INDIA (Sir Samuel Hoare): These questions of procedure are matters for the Committee, and I am not in a position to anticipate their decisions.

HOUSING.

CROWN PROPERTY, LONDON.

36. **Mr. MITCHESON** asked the Minister of Agriculture how many flats are unoccupied at the moment in the new blocks built by the Crown authorities in Cumberland Market, in the borough of St. Pancras; and for what reasons these are allowed to remain unoccupied whilst applicants are being turned away?

The MINISTER of AGRICULTURE (Major Elliot): Of the 246 flats already provided in the new buildings in course of erection on the Crown Estate at Cumberland Market eight are at present unoccupied. The purpose of this building scheme is to rehouse the tenants on the estate in order that the whole property may be rebuilt, and it is not possible to admit tenants from off the estate to the new flats without wrecking the scheme. It is necessary, in arranging for removals, to study the convenience of tenants, and this results in some unavoidable delay from time to time.

37. **Mr. MITCHESON** asked the Minister of Agriculture if he is aware that there are not less than 258 rooms vacant on Crown property in Stanhope Street, Albany Street, and district, in the borough of St. Pancras; and whether, as there are over 1,000 people occupying underground rooms in that borough and at least that number searching for accommodation, he will take steps to enable the premises to be tenanted with the least possible delay?

Major ELLIOT: Apart from rooms in houses required for early demolition, and in basements which are unfit for residential use, about 200 rooms are at present vacant on this estate. These rooms will be used, under arrangements which are now in progress, partly for accommodation of families which are overcrowded in their present quarters, and partly for the transfer of tenants occupying premises which will be required for demolition and rebuilding in the near future. If, after these requirements are met, any rooms remain available, applications from new tenants will be considered.

Mr. MITCHESON: Will the right hon. Gentleman say when these rooms will be used; and will he bear in mind that the premises have been empty for nearly two years?

Major ELLIOT: I am afraid I could not give a date across the Floor of the House.

Sir PERCY HARRIS: Will the right hon. Gentleman consider co-operating with the London County Council and the borough council and having a mutual arrangement in regard to such flats, so that the bodies concerned could assist each other, and not waste accommodation?

Major ELLIOT: I shall certainly consider any communication from the local authorities.

Mr. MITCHESON: If the premises are not to be altered or renovated or taken down for 12 months, will the right hon. Gentleman consider making use of them in the meantime?

Major ELLIOT: I would require to look into that matter very closely.

WOODEN HUTS, HORDEN, DURHAM.

46. **Mr. BATEY** asked the Minister of Health if he is aware that the occupants of the wooden huts at Horden, county Durham, have been given 28 days' notice to leave the huts without other houses having been provided for them; and whether he will take steps to prevent the wooden huts being closed before other houses are provided?

The PARLIAMENTARY SECRETARY to the MINISTRY of HEALTH (Mr. Shakespeare): My right hon. Friend is obliged by the information now given by the hon. Member and is making inquiries of the rural district council of Easington.

WHEAT DEFICIENCY PAYMENT.

43. **Mr. THORNE** asked the President of the Board of Trade the present selling price of standard graded flour per

[Mr. Thorne.]
280 pounds; and if he is aware that the London Flour Millers' Association are adding an additional 2s. 9d. per 280 pounds on account of the wheat subsidy?

Dr. BURGIN: The present price of standard grade flour in the home counties as announced by the London Flour Millers' Association is 24s. per 280 lbs., 6d. to 1s. less delivered within the London district. I understand that actual selling prices are normally less than the published price. The price is subject to the addition of the quota payment which millers and importers of flour are required to make to the Wheat Commission under the provisions of the Wheat Act, 1932, and which is at present 2s. 9d. per sack of 280 lbs.

Mr. THORNE: Does that not prove that this wheat subsidy is going to be paid by the consumer?

Dr. BURGIN: It proves that the wheat subsidy, being a disbursement, is at present shown as a separate addition to the price.

BUSINESS OF COURTS COMMITTEE (RECOMMENDATIONS).

38. **Mr. LLEWELLYN-JONES** asked the Attorney-General whether it is the intention of the Government to introduce legislation at an early date to give effect to the recommendations contained in the interim Report of the Business of Courts Committee presented by the Lord High Chancellor to Parliament, or whether it is proposed to delay the introduction of legislation until the final report is presented?

39 and 40. **Mr. TEMPLE MORRIS** asked the Attorney-General (1) whether he can make a statement to the House as to when His Majesty's Government will introduce legislation to deal with the recommendations of the recent Report of the Lord Chancellor's Committee on Law Reform;

(2) whether, in view of the need for economy, legislation will be introduced at the earliest possible moment to abolish the grand jury system, in view of the recommendation of the Lord Chancellor's Committee on Law Reform.

The ATTORNEY-GENERAL (Sir Thomas Inskip): The introduction of such legislation as may be necessary to give effect to the recommendations contained in the interim report is now under consideration. It is proposed to take immediate action to bring into operation such of the recommendations of the Committee as do not require legislation.

IRISH FREE STATE.

44. **Mr. HALES** asked the Secretary of State for Dominion Affairs whether, having regard to the failure of the steps hitherto taken to bring about a settlement of the Irish question, he will consider the advisability of recommending the imposition of a further duty of 50 per cent. on Irish exports to England in order to bring about an immediate settlement of this dispute?

The SECRETARY of STATE for DOMINION AFFAIRS (Mr. J. H. Thomas): I would refer my hon. Friend to the reply which I gave on the 7th March to my right hon. Friend the Member for Epping (Mr. Churchill). I cannot at present add anything to that answer.

Mr. HALES: Having regard to the serious dislocation of trade between the two countries, does not the right hon. Gentleman consider that the steps he has already taken may be further augmented by a higher duty and so bring about an immediate settlement of the dispute?

LOCARNO TREATIES.

45. **Mr. MANDER** asked the Prime Minister whether consultations have yet taken place between the military, naval, and air force staffs of the signatories of the Locarno treaties, with a view to these being put into effective operation when and if need should arise?

Mr. BALDWIN: As far as this country is concerned, the answer is in the negative.

Mr. MANDER: If we are to carry out our obligations effectively, is it not very desirable that such consultations should take place?

Mr. BALDWIN: I think the hon. Member's question borders on the bellicose.

CHISWICK SEWAGE WORKS.

47. **Mr. HAROLD MITCHELL** asked e Minister of Health whether he has quired into the complaints received om residents in Chiswick with regard the odour arising from the Chiswick wage works; and, if so, whether he oposes to take any steps in the matter?

Mr. SHAKESPEARE: My right hon. iend is investigating these complaints d is in close touch with the council as the measures to be taken. It is hoped at a remedy will shortly be found.

STOKE-ON-TRENT (LOAN).

49. **Mr. THORNE** asked the Chanellor of the Exchequer why the Governent have refused to allow the Stoke-n-Trent Corporation to raise a loan of 500,000; and whether, in view of the bility of the objects of the loan, he will econsider his decision?

The FINANCIAL SECRETARY to the REASURY (Mr. Hore-Belisha): I know f no reason why the corporation should ot make an issue provided that, in ccordance with the request of my right on. Friend published in the Press on e 14th January, prior agreement is eached with the Bank of England rearding the amount and date of the sue.

Mr. THORNE: Does not the hon. Geneman realise that he is inflicting a great ardship on this corporation, because ey were about to issue at 98 and he ants to make them issue at 97, which eans an addition of £5,000 at 3½ per ent.?

Mr. HORE-BELISHA: I cannot help inking my hon. Friend is under some isapprehension. He asks if I can state e reason why the Government have reused to allow the Stoke-on-Trent Cororation to raise a loan. My reply is at the Government have not refused.

Mr. THORNE: Simply because they ant to issue at 98 and you insist on 97.

Mr. HORE-BELISHA: No. I say that he Government have had no correspondnce whatever with the Stoke-on-Trent orporation.

Mr. COCKS: Are the Bank of England he Government of this country?

Mr. MABANE: Can the hon. Gentleman say whether the Bank of England has objected to this loan being issued?

Mr. HORE-BELISHA: I can only answer the question put to me, whether the Government have refused, and I say categorically that the Government have not refused.

Mr. MABANE: Can the hon. Member reply to my question as to whether the Bank of England has refused?

Mr. HORE-BELISHA: No.

Mr. SPEAKER: The hon. Member had better put a question down.

Mr. HAMMERSLEY: On a point of Order. Would it be in order to put down a question, to ask whether the Bank of England had or had not refused?

Mr. SPEAKER: If the hon. Member puts the question down, I will then see whether it is in order or not.

Mr. THORNE: Is it not a fact that on several occasions I myself and other hon. Members have attempted to put down questions dealing with the Bank of England and have been told by the Clerk at the Table that the Government have no control over them?

Mr. SPEAKER: I should probably say the same thing about this one.

GOVERNMENT DEPARTMENTS (NEWSPAPER ADVERTISING).

50. **Captain CUNNINGHAM - REID** asked the Financial Secretary to the Treasury if he is aware that the Stationery Office has recently invited tenders for the appointment of an agency for advertising in newspapers and periodicals on behalf of the Government Departments in Scotland; if he is further aware that an agreement between the Newspaper Proprietors' Association and all recognised advertising agencies provides for a minimum commission charge of 10 per cent. on all new business; and if in such cases he will discontinue the system of tender and substitute that of direct appointment?

Mr. HORE-BELISHA: The answer to the first part of the question is in the affirmative. I have no official knowledge of the terms of the trade agreement between the Newspaper Proprietors' Association and the advertising agencies to

[Mr. Hore-Belisha.]

which my hon. Friend refers, but I understand that it has been in existence for many years during which time all Stationery Office advertising contracts have been placed after competitive tender. Government advertising differs in many important respects from private advertising; and I see no grounds for departing in this matter from the system of tender which is the recognised practice in the public service.

MERSEY TUNNEL BILL.

Reported, with Amendments; Report to lie upon the Table, and to be printed.

MESSAGE FROM THE LORDS.

That they have agreed to Amendments to—

Visiting Forces (British Commonwealth) Bill [*Lords*], without Amendment.

Consolidation Bills,—That they propose that the Joint Committee appointed to consider all Consolidation Bills of the present Session do meet in Committee Room A on Wednesday next, at Eleven o'clock.

CONSOLIDATION BILLS.

So much of the Lords Message as relates to Consolidation Bills considered.

Ordered, "That the Committee appointed by this House do meet the Lords Committee as proposed by their Lordships."—[*Sir F. Thomson.*"]

Message to the Lords to acquaint them therewith.

GIFT COUPONS BILL.

Order for resuming Adjourned Debate on Amendment to Second Reading [10th March] upon Monday next read, and discharged; Bill withdrawn.

WRITTEN ANSWERS.

TRANSPORT.

RAIL AND ROAD CONFERENCE (RATES).

Mr. HEPWORTH asked the Minister of Transport whether he is in a position to state the effect on the rates payabl by ratepayers in each county and in each borough in England and Wales of th adoption by legislation of the recommendations contained in the Salte Report; and, in particular, what woul be the effect on the rates in Bradford?

Mr. STANLEY: The answer to both parts of the question is in the negative.

MOTOR VEHICLES (REAR LIGHTS).

Mr. GLEDHILL asked the Minister o Transport if he will consider a revisio of the existing regulations which allow a closed motor vehicle to carry its rear ligh at the top of the vehicle?

Mr. STANLEY: I have under consideration at the present time the desirability of amending the regulation to meet this point.

ROYAL AIR FORCE (PETROL, BRITISH COAL).

Mr. L. SMITH asked the Under-Secretary of State for Air what price his Department has paid for aviation petrol made from British coal; and how this compares with the price of similar ordinary aviation petrol?

Sir P. SASSOON: I regret that it would be contrary to established practice to disclose these prices.

ROYAL NAVY (RATINGS, ADVANCEMENT).

Sir B. FALLE asked the First Lord of the Admiralty whether he is aware that naval ratings awarded "Satisfactory" for efficiency are in some cases considered as not being eligible for recommendation for advancement on Form S 507; and whether, as the definition of "Satisfactory" i.e., a man who performs his duties with average ability, does not make it clear that he is eligible for recommendation for advancement, he will consider making the situation clear to all commanding officers so that all ratings shall have equal chances for advancement?

Sir B. EYRES MONSELL: It is clearly laid down that "an assessment of satisfactory does not absolutely disqualify a man for a recommendation for advancement" but "efficiency in present rating is not the only factor in determining fitness for advancement" for the captain has to consider power of command, fitness to hold the higher rating and other qualifications. I have no reason to believe the regulations on this matter are misunderstood by captains.

STORE CATTLE (IMPORTS).

Dr. LEECH asked the Minister of Agriculture if he is aware of the falling off in the supply of store cattle in this country since the restriction of Irish Free State imports came into force, particularly in the county of Northumberland; whether imports of Canadian store cattle have increased or diminished during the last six months; and whether there is any embargo or restriction against the import of Canadian cattle into the Tyne or elsewhere at the present time and, if so, what are such restrictions?

Major ELLIOT: Entries of store cattle at the markets in England and Wales reported in the Agricultural Market Report show a falling off of 9 per cent. during the period July, 1932, to date, as compared with the previous corresponding period. On the other hand, the information at my disposal does not indicate that, generally speaking, there has been up to the present any marked shortage of store cattle having regard to the prevailing demand. I have received complaints as to a shortage of Irish stores in Northumberland, but I have no positive evidence which would enable me to judge how far these complaints are well founded. In the last six months 2,050 imported Canadian cattle have been licensed out for further feeding as compared with 2,200 in the preceding six months. The importation of Canadian cattle is governed by the provisions of the Importation of Canadian Cattle Order of 1933 which authorises landing only at landing places which have been approved by me. At present, landing places have been approved at the ports of Birkenhead, Glasgow, Cardiff and Dundee, and I am prepared to consider the approval of landing places at other ports if approached by the responsible port authorities.

NAVAL EXPENDITURE (FRANCE, ITALY AND UNITED STATES).

Mr. PICKERING asked the First Lord of the Admiralty what have been the amounts of the Naval Estimates for 1931, 1932, and 1933 in France, Italy, and the United States of America?

Sir B. EYRES MONSELL: The Naval Estimates have been as follow:

—	1931-32 or 1931.	1932-33 or 1932.	1933-34 or 1933.
France ...	Fr. 2,799,830,314 (*f*)	Fr. 2,411,263,577 (*d*) (*f*)	Fr. 2,839,838,570 (*e*)
Italy	Lire 1,537,622,800 (*f*)	Lire 1,538,923,277 (*f*)	Lire 1,359,222,277 (*c*)
U.S.A. ...	$360,101,593	$328,906,141 (*a*)	$309,647,536 (*b*)

(*a*) Plus $9,750,000 by transfer from special funds, and reappropriations.
(*b*) Plus $11,341,389 by transfer from special funds and reappropriation of $2,498,000.
(*c*) Proposed Estimates.
(*d*) For 9 months only, due to change of fiscal year.
(*e*) Original proposed Estimates, subject to amendment.
(*f*) Original estimates voted; excludes supplementary amendments.

WORLD ECONOMIC CONFERENCE.

3.18 p.m.

Mr. GRAHAM WHITE: I beg to move,

"That this House, recognising that the chief factor in producing world-wide economic distress is to be found in the financial and economic restrictions placed upon international trade, urges His Majesty's Government to prepare, and to lay before the forthcoming World Economic Conference, definite proposals for the all-round reduction of tariffs and the removal or reduction of other obstacles to trade, to take the initiative in the formation of a group of free-trade or low-tariff countries, and to make agreements for such modifications in the most-favoured-nation clauses of existing treaties as may be necessary."

I hope this Motion will commend itself to the general sense of the House. It would be impossible in the time allotted to this Debate to consider the whole programme of world reconstruction which has been drawn up by the Preparatory Commission of Experts, and drawn up, I am pleased to say, with a very large measure of common agreement. It is unfortunately the case that the programme and recommendations drawn up by commissions of experts in complete agreement and with complete unanimity have not been followed by the various countries concerned. For example, we had in 1927 a similar recommendation from a body of experts representing all the countries concerned, and if those countries had carried out the advice which was then given to them the world would have been a very much happier and easier place to live in than it is at the present time. There are those who are inclined to argue that in the present state of international politics and world opinion the subject of world co-operation is one which it is perhaps hardly useful to discuss. For some years past we have been dominated by one crisis following another. Sometimes these manifestations have been political and sometimes economic, and the causes have been closely intermingled. As one crisis succeeds another they become deeper seated, and it becomes more difficult to find a solution.

In these circumstances I think that the House will consider that it is very desirable that we should discuss, not the details, but the broad outlines of the policy which should be laid before the Economic Conference, and I hope that the Government will welcome an opportunity of declaring to the country, and indeed to the world, that they intend to go to that conference prepared to submit definite plans and to give an unmistakable lead to the whole world for the progressive removal of those different obstacles which are throttling all international trade. The present state of international feeling is not a reason for refraining from discussing the subject of international co-operation; indeed, it is an urgent reason why it should be discussed and followed as quickly as possible by action. It was hardly necessary for a commission of experts to meet together to draw up an agenda in order to diagnose the disease and to describe the symptoms from which the world is suffering, or to convince the people of the vital necessity that the countries of the world should reverse their policy and discuss the removal of their common difficulties rather than continue to add to them, as they have been doing steadily for years past. The whole world is familiar with the ghastly fact that there are, on a modest computation, 30,000,000 unemployed—a vast multitude which, if each man stood up and stretched his arms, would reach round the Equator.

We know that since 1929 wholesale commodity prices have fallen by one-third, that the prices of raw material have collapsed to the extent of from 50 per cent. to 60 per cent., and that, as a result of this disequilibrium in the markets of the world, in the principal producing countries, there is no relation between their international burdens and their means of carrying them. The area of default is already very wide and steadily tending to increase. The countries of the world, acting sometimes in defence and sometimes prompted merely by a spirit of economic nationalism, have developed a vast network of restrictions, financial and economic—quotas, exchange controls, prohibitions, tariffs and the like—which constitute "a state of virtual economic warfare," to quote the words of the Preparatory Commission. All countries are seeking to sell and none are willing to buy. The inevitable result of that policy, if continued, must be a world-wide collapse, in which, to quote again the words of the Preparatory Commission of Experts, "society as we know it could hardly survive." The aggravating fact in this situation is that there is no necessity or it. Every one is aware of the fact that in the last few decades mankind has succeeded in solving the age-long grim problem of how to obtain a secure and sufficient subsistence.

We have entered on a new era in the world's history, for it is a complete world in the sense that productive capacity is sufficient to supply the reasonable needs of every living man and woman. It has been an amazing triumph of engineering science and organisation. Technicians have given us a new world, a world which has become a single economic unity, in which the distance between cause and effect has been largely destroyed. What we say in this House this afternoon may be a topic of conversation to-morrow the world over, in New York, Bombay and elsewhere. The economic life of the world has been shifted from a national on to an international basis, and, if one were asked to summarise the world position to-day, it could be put in a single sentence—that all our troubles arise from the fact that we are trying to run a twentieth century world with the political ideals of the eighteenth and nineteenth centuries. Governments and statesmen the world over, sometimes with the support of their people and sometimes without it, have successfully withstood and frustrated the wonderful triumphs of science and organisation. They have stood successfully between the people and the new prospect of abundance which has been opened out to them by the triumphs of science. As far as I know, it is the only field of endeavour in which international statesmanship has been completely successful.

After the Lausanne Conference some of the nations of the world decided to summon a world conference to see how they could remove their difficulties. That decision was welcomed everywhere, and it was thought that at long last there was evidence that the nations of the world were actually willing and capable of meeting together to consider a common constructive policy. It is in the recollection of the House that no sooner was the conference decided upon than a new hope appeared. Things began to improve, markets began to rise, but that newly-born hope soon flickered out as the conference was postponed time and time again, and sinister events began to occur the world over and the atmosphere for the conference obviously became more difficult. National anxieties then centred in the conference which was called to consider disarmament, and then came events in the Far East and the economic troubles which have overcome the United States. There is nothing apparently that outsiders can do to help the United States in the task which confronts them, but this House will wish to express its sympathy and good will to President Roosevelt in the terrible and almost superhuman task that lies before him in that country. The United States is such an important factor in world economy that no sound international currency policy and no sound fiscal policy can be devised if she stands outside, and one welcomes, in particular at this time, those words which were spoken by President Roosevelt in his inaugural address. In spite of the economic difficulties of his country and its great internal domestic anxieties, he said that, in point of time—those words are significant:

> "international trade is of necessity secondary to the establishment of a sound national economy."

I think there is a particularly hopeful note and significance in the concluding phrase of that section of his address, in which he said:

> "I shall spare no effort to restore world trade by international economic coadjustment. In the field of world policy I would dedicate the nation to the policy of the good neighbour."

The policy of the good neighbour is the one which is essential and which must be held by all nations if the World Economic Conference is to succeed. I am not one of those who think that recovery must necessarily be slow and painful. One of the chief factors in recovery when it once starts will be psychological, and it will date from the day when there is unmistakeable evidence that the countries of the world are really willing to co-operate together. It is rather nicer to think of the possibilities of recovery than to dwell upon the immediate difficulties. The potential capacity for recovery is almost unlimited and the human factor enters into it. There are 30 million unemployed individuals only too anxious to be "at it." The whole forces of production are only too anxious to be liberated from the shackles which Governments and statesmen have placed upon them. There is an immense volume of deferred work to be carried out, deferred repairs, renewals

[Mr. White.]

and extensions, none of which will be put in hand until there is hope. There is a superabundance of raw material and food only waiting to be translated and transferred to empty cupboards and shelves. No one country can start that recovery by itself, but Great Britain, owing to the fact that our financial position, although it is not free from some anxiety is the envy of all, can do more than any other country by making it unmistakeably clear that we will enter the conference unhampered by prejudices, unbound by previous engagements and prepared with plans which will give a lead to the whole world in the progressive reduction of the shackles upon international trade. If I were to venture to give advice to those whose duty it will be to attend that conference I would advise them to sit down and to think carefully and long of the consequences of failure. They would rise from that useful exercise convinced that no obstacle of any sort should be allowed to stand in the way of success. Again I do not use my own words, but the words of the Preparatory Commission:

> "The world is engaged to-day in economic war."

Therefore, the Economic Conference must be a peace conference, and it is a peace conference which will have a much more devastated area to repair than the Peace Conference at Versailles. There is one condition which is essential to success. Nations must come to that conference in a spirit of mutual accommodation. If they all come to ask for concessions, and are prepared to make none, the conference had better not be held at all.

The various problems which will arise are numerous, difficult and complex. I have already said that it would be quite useless to embark upon a discussion of them this afternoon in any detail, but there is this reassuring factor about the situation, that if they are difficult and complex they are all closely related, they are all complementary, and any successful step made in any one direction to the solution of any one of them clears the way and makes easier the approach to the next. We cannot expect to have a sound international currency policy unless we have previously secured a reasonable settlement of international debts. Equally, we cannot have a sound international monetary system unless and until we have a very much greater freedom of trade than exists to-day. Every obstacle which can be removed from that path will simplify the solution of the other difficulties which surround it and will clear the way to ultimate recovery.

On the subject of currency it would be a great help—I see that my view is shared by other Members who have put down an Amendment—if we could have a common policy with regard to currency for the Dominions and the Empire. I have always regretted that at Ottawa they did not give more attention to that matter of currency, because since the Ottawa Conference we have had within the Empire something like a competition in depreciation of currency that has certainly not improved the atmosphere and has tended to exaggerate and aggravate the difficulties of the general trade position. I would like to ask the President of the Board of Trade, if he is going to reply, whether the Government are, in fact, considering a common policy on currency with the Dominions, and also on tariffs. It is to my mind quite clear that if any important country is going to the World Economic Conference with a rigid, unbending mind and an inflexible policy that the Conference cannot succeed. I am impressed by the fact that the attitude of Great Britain and the British Empire in this connection may very well be decisive. The Motion which I am moving therefore invites the Government to take the lead and to prepare and lay before the Conference definite proposals for the reduction of tariffs and other trade barriers.

I do not think there can be any doubt as to the attitude of mind of the Government on this particular point. We in this quarter of the House are Free Traders. Our ultimate object is the removal of all barriers and the complete restoration of Free Trade. We also hold that if in the present state of the world this idea is not immediately attainable we have got to go step by step, and therefore we should make every effort to unite in a common policy with those other countries who are impressed by and believe in the necessity for a greater freedom of trade than exists to-day, and that we should for that purpose be prepared to enter into agreements and to form low tariff groups. In that connection it is clear that we should not get very far before we came into contact with the provisions of the

Most Favoured Nation Clause in many of our commercial agreements. That is an important fact which would have to be taken into account. It is recognised by the International Commission of experts, who dealt with the subject in some detail and pointed out various ways in which the difficulties which might be expected to confront the negotiators might be dealt with.

Belief in the policy of forming low tariff groups is not confined to any one quarter of this House. It quite recently received the powerful support of my right hon. Friend the Member for Tamworth (Sir A. Steel-Maitland), who speaking in the House recently on the subject of our attitude towards other countries, after saying that it was all humbug to suggest that any one country could contract out of the world's troubles, used these words:

> "We should say to other countries, 'If you are willing to come down and make a low tariff group, then we are willing to try to meet you.'"—[Official Report, 16th February, 1933; col. 1296, Vol. 274.]

It is that policy which this Motion urges the Government to accept. I will not take up the time of the House in endeavouring to explain or to outline in detail the way in which the low tariff group might be brought about or the way in which it might function. I will refer to the suggestions of the expert Commission which I think are not only reasonable but admirable to a very great extent. I regret that hitherto, when such movements have been started simultaneously, not only in this country but outside it, the Government were not prepared to give them a very favourable reception.

I have been trying to understand the mind of the Government upon this subject. The policy which, I am suggesting, is part of our task at the World Economic Conference does not mean the abandonment of the most-favoured-nation Clause or the raising of tariffs against anybody. That is a very important point. It does not prevent us from giving free entry to goods from the Empire or from any other country. I believe that a powerful first step would be the making of economic peace. I have been trying, as I say, to understand the mind of the Government on this topic. There should be no doubt with regard to their attitude. The hon. Member for North Bristol (Mr. Bernays) a few days ago asked the Prime Minister whether it was the policy of the Government to urge at the World Economic Conference for the all-round reduction of tariffs, and was answered with an unqualified assent. The right hon. Gentleman the Member for St. Ives (Mr. Runciman) has also addressed himself in no uncertain terms with regard to these matters. Speaking at St. Ives, the right hon. Gentleman said that he wished that the German Government would do away with that insane policy of quotas which was ruining the trade of Europe. The mind of the Chancellor of the Exchequer seems to be somewhat obscure. His statements are not as lucid in this regard as they are in many others. Speaking this week at Birmingham he said that international trade was hampered to-day as it never had been before by all sorts of barriers. He added:

> "I have no objection to those barriers provided they are reasonable, but excessive and oppressive barriers I complain of."

Speaking a little earlier at Edinburgh, the right hon. Gentleman used this expression:

> "If we can secure the lowering of the excessive tariffs that other nations have put round their borders, then I feel confident that trade will soon begin to revive."

I must confess that I am in some difficulty in explaining when a barrier is not a barrier and when a barrier ceases to be oppressive and excessive, and when, in point of fact, it becomes an aid to the development and the transaction of business. It surely cannot be that the Chancellor of the Exchequer thinks that what is a vice when practised by other countries is a virtue when carried out by his Government. If that be the case, and if it is the view of the Government that they can go to this Economic Conference and say to Germany, "Your quota is a restraint of trade. Your tariff is oppressive and in restraint of trade. That action by America was a restraint of trade; but our quotas and tariffs are not in restraint of trade," the right hon. Gentleman had very much better stay at home, because there will be no possibility of success on those lines. The Government's policy has been the ancient and historic policy of casting out devils by Beelzebub. I would remind the Government that on that occasion the caster-

[Mr. White.]
out of devils was warned against trying that process, because he might become the chief of the devils. I hope that the mind of the Government is not moving in that direction.

The Chancellor of the Exchequer, speaking in this House more recently, adopted an attitude which seems rather more hopeful than his utterances outside. Speaking on the Motion of my hon. Friend the Member for Stockport (Mr. Hammersley) last week, he said:

> "We have got to try to persuade other countries to act with us in removing the obstacles to the restoration of international trade. I do not myself despair of obtaining a considerable measure of agreement, because I see that the more difficult the situation becomes, the more desperate the position of other countries grows, the more likely they are to be ready to consider any scheme which you may put up to them which will give some reasonable prospect of relief."

Speaking of the task of raising prices he was even more definite. He said:

> "While the Government will certainly spare no effort in doing all that it is in the power of the Government to do to stimulate trade and raise sterling prices, yet at the same time we are not going to disguise from ourselves that the greater objective which lies before us is in the direction of international co-operation. For that purpose too, we shall take every opportunity which presents itself to us to get into agreement with other nations."—[OFFICIAL REPORT, 8th March, 1933; col. 1312, Vol. 275.]

I hope that the President of the Board of Trade may be able to tell us that the second thoughts of the Chancellor of the Exchequer really represent the mind of the Government in this all-important matter. I would like to ask the Government what is their idea and their ambition as to the scope of this conference and what it is that they envisage coming out of it. Is it to be another success on the same scale and of the same order as that which emerged with such pain from the Ottawa discussions? Is that the order of the thought of the Government in facing this vast international problem? In that case, merely a series of arrangements, and some small reductions of tariffs in this direction counterbalanced by additions in other directions, would be quite futile in face of the steady disintegration of the financial structure of the world.

Those who have carefully read the annotated agenda of the World Conference will be led to a more comforting conclusion, and that is that the way out from the present troubles is not hopeless. The position is far from hopeless. There is a way out for recovery, if only the nations will unite to clear the road for prosperity. Those who study the agenda will learn and deduce from it that the greatest slump of all has been the slump in human intelligence, and that it is only by the recovery in human intelligence that the situation can be saved. The lesson of the last 10 years, if it taught the world anything, must have brought home to us that co-operation for the welfare of mankind on a friendly and international basis offers the only chance of making this world a reasonable and fit place to live in. That should be the keynote of the conference.

I would also point out that, in these days, time is of the very essence of this matter. Events will not wait. The whole financial structure of the world is being rapidly undermined. Further unnecessary delays will be fatal. I am not suggesting that this conference should be called immediately; I know that that is not a practical proposition; but at least it would help if the Governments of the world would each state what their intentions are. That would be an important step, and it is, perhaps, the only step which we can take here and now this afternoon. The conference should be brought together at the earliest possible moment, and, in the meantime, the Government should, in clear and unmistakable language, indicate that they intend to pursue, not the policy of acting each one for himself, but the only policy which can lead to the restoration of the world.

3.51 p.m.

Major LLOYD GEORGE: I beg to second the Motion.

In doing so, I should like to congratulate the hon. Member for East Birkenhead (Mr. White) upon his admirable speech, and upon the clear way in which he has laid the facts of the situation before the House; and I should like to congratulate him still more upon having chosen this topic for discussion to-day. If any proof were needed of the serious view that Members in all quarters of the House take of the state of affairs in our own country, it is, surely, to be found in the fact that practically all the resolutions put forward on the days allotted to private Members are concerned with the situation in this country; and since, obviously, many Members will wish to take part in this discussion, I shall not detain the House for very long.

Some of the Motions that have been put down for discussion have dealt with the national situation here, but I am very glad that to-day we have an opportunity of discussing the international situation, because it must be obvious to all that, without international co-operation, there can be no permanent solution of our difficulties. I think it is also agreed in every part of the House that this is a situation which cannot long continue without disaster. As is stated in the report of the experts, the depression has been marked by accumulating stocks of agricultural produce and raw material, the curtailing of industrial production, and the hindering of international trade by various forms of restrictions which have in themselves intensified the very problems which they were designed to cure. Prices have fallen steadily, unemployment has risen to appalling heights throughout the world, and, as the commission of experts states, further loss of ground cannot be contemplated without the gravest foreboding.

That is the situation. There can be no dispute as to its gravity; the disagreements begin when we try to discuss causes and remedies. There is no doubt that it is desirable, as the report states, that there should be a rise in world prices, but there is disagreement as to how that is to be effected. One or two suggestions are put forward in the report. One is that there should be provision for easy money to promote the healthy expansion of trade. We have in this country to-day that easy money, but there is no healthy expansion of trade. Why? I think the Chancellor of the Exchequer gave the reason when he said that we were being prevented from using this money because the barriers to international trade were making it impossible for confidence to be restored. The Chancellor made that statement in this House. It is true. But, in passing, I would remind the Government that that does not apply to our own country. We have no tariff barriers in this country between producer and consumer, and, if it is essential that there should be a healthy expansion of business by the provision of cheap money, we certainly have in this country the cheap money, and the Government say that, thanks to their tariff proposals, they have "regained control of the home market." Having regained control of the home market, I should have thought that the best thing they could have done would have been to expand that market.

Another suggestion which the experts put forward is that prices can be raised by a policy of control and restriction, but they add that that raising of prices could not be maintained unless there were improved trade, which could only be got by the removal of restrictions. I hope that our Government is not going to the Conference prepared to put forward a policy of control and restriction. How can a policy of control or restriction be justified when the legitimate needs of consumers remain unsatisfied, when there is an army of unemployed throughout the world which, with its dependants, probably numbers 100,000,000 people? How can a policy of restriction possibly be justified until their legitimate needs are satisfied? If this or any other Government goes to the Conference and makes such a proposal, it will be not only folly, but criminal folly. If the present economic system can only survive by that means, then I doubt very much whether it can survive, and, indeed, I would say that I do not think it deserves to survive.

An outstanding feature of the report is that, no matter to what it refers—whether it be monetary policy, prices, or anything else—it always states that no lasting good can come until trade restrictions are removed. That is present in practically every one of the recommendations, and it is added that especial responsibility lies in this respect upon the great creditor nations. We are still the greatest creditor nation, though I doubt very much whether we shall remain so if these restrictions are to continue, for it is quite possible that the debts which our debtors owe us at the present time may very quickly become bad debts. There is no doubt as to our responsibility in this country; the question is, do we realise it? To judge from the speeches, some of which have been referred to by my hon. Friend, the Government do realise it. Perhaps I may quote one other by the Lord President of the Council, who put the point perfectly clearly. After

[Major Lloyd George.]
referring to the fallacy of any country trying to isolate itself in prosperity, he went on to say:

> "It is the recognition of this that compels the Government to attach so much importance to the proposed World Economic Conference, for it is only through a general movement towards prosperity, started and accelerated by the removal of the obstructions to finance and trade, that this country or any other country may hope to progress."

That is perfectly plain; there is no mistaking the view of the Government; they all say that that is what they stand for. They are prepared to go to the Economic Conference and, they say, they are prepared to move for a reduction of various barriers. There is no mistaking their views, but I want to know: Are they prepared to act? Are they prepared to go to the Conference and put forward what my hon. Friend suggests in his Motion, namely, a definite proposition; or are they prepared to accept such a proposition if it came from another quarter? There is another question, which is very much more important: Are they in a position to make or to accept such a proposition?

I understand that the right hon. Gentleman is going to reply. He has had a great deal of experience. He has been negotiating, I understand, for some considerable time with foreign countries—bargaining, I suppose. Can he tell us to what extent he finds that he is hampered in his negotiations by the Ottawa Agreement? I think that we are entitled to know. We were told six months ago that foreign nations were clamouring at our door, that they were falling over each other to make agreements with us. Some of them have been falling over each other here for a considerable time, but not a single agreement has been signed, although the right hon. Gentleman is quite satisfied that progress is satisfactory. Well, it takes a long time. Six months have passed and no agreements have been come to. That fact confirms the opinion which many of us held at the time that the Ottawa Agreement is a tragic blunder, and there are indications that we are not alone in finding it out. There are indications in other parts of the Empire. They are finding out that the Ottawa Conference was not such a great success as was made out. But are the Government prepared to take the initiative in the formation of a group of Free Trade or low-tariff countries? I think we are entitled to an answer from the Government on those lines. Either you are going to have a tariff for bargaining purposes or you are going to have a tariff for protective purposes. Which is it to be?

Mr. HERBERT WILLIAMS: Both.

Major LLOYD GEORGE: Then I am not surprised that results have not been forthcoming. If the hon. Gentleman wants a tariff both for bargaining and Protection, I do not know how he is to do it. Are we to have the same humbug in economic disarmament as the right hon. Gentleman the Member for Epping (Mr. Churchill) referred to yesterday in regard to another subject? I think we ought to know what they really do mean. If the Government want a tariff for bargaining purposes, they must put forward some concrete proposal to the Economic Conference. If the tariff is for protection, they must apply their minds to another very serious problem. This country depends on international trade. The restoration of international trade is vital to our country with its densely populated areas. Surely I am not saying anything with which anybody would disagree when I say that that is impossible as long as those restrictions on trade are allowed to continue. But if the Government simply want a tariff for protective purposes, have they applied themselves to this question? In view of the loss of our international trade through it, are they prepared to face this question: Are the satisfied that this country can maintain 45,000,000 people in those circumstances? I would like to know whether they have ever applied their mind to it, and I would like to have their opinion upon it, because if they are not going to put forward proposals, they must answer the other question, which is of vital importance to this country. In the terrible situation in which the world finds itself, who is going to give a lead in showing the way out? Is it too much to ask that Great Britain should give the lead? [*Interruption.*] Never mind, we have more to gain by the lead than anybody else. Are we prepared to give that lead? It is a duty that we owe to our people, a duty that we owe to our millions of unemployed. Further than a duty, it is an opportunity to ritain to serve humanity. I beseech he Government not to lose that oppor- unity.

5 p.m.

Brigadier - General Sir HENRY ROFT: I beg to move, in line 1, to leave out from the second word "that" o the end of the Question, and to add nstead thereof the words:

one of the factors in aggravating world onomic distress has been the consistent ising of tariffs by the vast majority of the untries of the world since the War and e exploiting of the free market of Great ritain, which provided the dumping ground r the surplus products of those countries, ith disastrous results to British industry nd workpeople; congratulates His Majesty's overnment on having established a reason- ble tariff policy which ends the defenceless ondition of this country and renders it ossible to secure trade agreements with iendly countries, and arms the Government with the power to bargain with and, if ecessary, retaliate against countries with ostile tariffs; and further urges that His ajesty's Government, in considering these atters in connection with the World conomic Conference, should be ready so to odify existing treaties as to give tariff advantages to those countries which are ready reciprocate in the promotion of freer ade and to raise tariffs against those ountries which do not desire to recipro- ate."

The hon. Gentleman who introduced his question in a moderate speech to which, I am sure, no one in any quarter f the House could take any exception, irected our minds to one of the greatest roblems which confront not only this ountry but all countries of the world. As sual, we heard from the hon. and gallant Gentleman who seconded the Motion a speech which caught the imagination of he House. Its keynote really was: Are we prepared to give a lead? I think hat this country always appears to be iving a lead, and I am sure that some f us are beginning to hope that we will not give a lead which will make us idiculous and which, perhaps, will be reated with scorn by other countries. In he last few days we gave a wonderful ead to the world—a lead which some f us thought was a little bit hasty in he matter of the supply of armaments o the belligerents in the East. We have iven a lead on many questions, such as nancing countries of Europe in a way hat some of us felt was almost quixotic when one realises the condition of the ountries to which we have lent money. We endeavoured to give countries a lead during the late Government's career, when our late lamented friend, Mr. William Graham, with very great ability and sincerity, endeavoured to promote the idea of a tariff truce. All these leads which we have given have not been very successful, but, for all that, I am sure the whole House will desire to stand behind His Majesty's Government in putting forward any suggestions with regard to these great problems which they think will be helpful to the world as a whole. We only beg them not too hastily to give a lead if they know pretty well that there is no indication that other countries will follow.

I will say, in passing, only one word with regard to the very great problem of currency which the hon. Member mentioned. I think that from every angle business men are hoping that there may be some getting together of the Powers of the world with regard to this question. If the world will not come together on this question of currency, I still believe it is possible to make a start within the British Empire. Whatever views there may be on this subject, no one in any quarter of the House will deny to-day that it was an extraordinary lack of foresight when the Empire gradually grew up that we allowed various currencies to arise in different countries in the Empire. I believe that even now that is, perhaps, one of the avenues which have not been fully explored, and which, I hope, may have the attention of His Majesty's Government.

There is one part of the hon. Gentleman's Motion with which I cordially agree, and that is the last few words. It is very interesting, coming from such a quarter, to be told that the most-favoured-clauses of existing treaties should be modified as may be necessary. I remember speeches to a very contrary effect from those benches in the days gone by, but I find myself in agreement because I do not believe you can ever get what the hon. Gentleman wants and what I want by a somewhat different method, that is, reciprocity between the different countries of the world, until you have dealt with that question. Obviously, it will be impossible to do what he desires, and what, from a different angle, I desire, as long as it is possible to treat your friends better than they treat you.

[Sir H. Croft.]

One other word with regard to the speech of the hon. and gallant Member for Pembroke (Major Lloyd George). He spoke, I thought, rather sweepingly of the policy of restriction. I do not know whether that included primary products, but I think he will probably agree that it may be necessary, while some two-thirds of the world is out of action, namely, those who engage in agricultural pursuits, to have something in the way of restricting production if you are ever going to restore economic prices to those agricultural producers, and thus once more give them the opportunity of purchasing the goods from the industrial nations of the world. The hon. Gentleman's ideas appear to me to be rather of a benevolent character. I think we all agree with the kind of sentiments he uttered, but I venture to submit that he somewhat disregarded the facts. There is something very similar in his Motion to a speech many of us read from the right hon. Member for Darwen (Sir H. Samuel). I think it was when he was lunching upstairs and I was lunching downstairs. There the idea was thrown out of getting together the low-tariff countries, those countries who believe in 10 per cent. or something of that kind. I think it was the occasion when some unkind person in the audience, having lunched too enthusiastically but with great sobriety, threw out the remark that the speech was the death-knell of Free Trade. I am not sure, but the right hon. Gentleman will correct me if I am wrong about that.

Sir HERBERT SAMUEL: You are.

Sir H. CROFT: The genesis of this proposal, I think, comes probably from the same source. If I may use the phrase, I think it is a case of a naughty communication corrupting good politics. If the hon. Gentleman had his way and carried this Motion to-day, in my belief it would cause utter dismay among the whole of the industrial and agricultural population of this country. It is reminiscent of the whole case of the tariff truce. I remember when we gave that lead, and caused a pause for a moment in the thoughts of the world, but the only result, I think, was that four great competitors of ours immediately raised their tariffs. If the hon. Gentleman succeeded, the result would be that those great neighbours of ours who can produce their agricultural products so cheaply would immediately commence—I will not say "commence," because they are doing it largely to-day, but would immediately increase the process of unloading their surplus agricultural produce on this country, and, as he knows, at wreckage prices with which our country cannot possibly compete, and which His Majesty's Government are doing their best to stop at the present time. You would also immediately find that cotton goods, silk, iron and steel would once more pour into this country, and your unemployment figures, which have been held—let us be fair to His Majesty's Government in this respect—would once more advance by leaps and bounds.

I know that I shall be causing offence to a school of economists in this country, and, perhaps, even to one or two who sit on the Government Front Bench, but I think it is holding out false hopes to the people of this country to suggest that if you can get any considerable reduction in tariffs throughout the world that will solve the problem. As a matter of fact, it is very doubtful whether for a considerable time there would be any increased quantity of goods produced or consumed in the world as a result of that policy. You have to remember that since the War you have this vast range of countries which were never manufacturing countries before, which have become very efficient and which still have a wage level of 50 per cent. or more, if you include Japan and others, less than ours and, if you do what the hon. Member desires and get as near an approach as possible to Free Trade, there will still be that 50 per cent. of labour costs which no efficiency of ours can now ever discount in the long run. World prices, of course, are the real cause of the world malady.

I go a long way with the hon. Member in his ideas. I have all my life held the view that you can do a great deal towards promoting international trade by reciprocity. For the first time in our history we have a little brick wall round our country. Other countries have higher barriers. For the first time we are able to say: "If you will take two bricks off your wall, we will take one off ours, and it will be easier for us both to get over them." [*Interruption.*] Their tariff walls are mostly twice as high. I pass at information to the hon. Member for s edification. For the first time you e able by this means to have something at you can offer to foreign countries. or the first time among all parties in e House this dread of higher prices s been removed. The leader of the rty opposite on several occasions has dicated his belief, which is the belief every sane man, that you are only ing to see the world restored if whole- le prices rise. We had a most interest- g speech from the tutor of the Socialist arty, Mr. Lees-Smith, who delivered an ation not long ago, and he said the ery first action of the next Socialist overnment—he is a long-distance rophet—would be to do everything in eir power to raise wholesale prices. ven to-day the hon. and gallant Gentle- an the Member for Pembroke de- ored the fact that prices had llen steadily. We are getting on. e are getting that old idea out the way now, and we are all begin- ng to realise that the world can only ogress if there is a return to economic oduction. Having got rid of that idea think, if the hon. Member who moved e Motion carries his ideas to their gical conclusion, he will see that if ere is one thing that would prevent n improvement in wholesale prices, in is country at any rate, it is the unload- g of all the surplus products of other untries, which would have disastrous sults to our agricultural community.

May I state what I believe to be the onservative point of view. I believe hat all those who belong to the same arty as myself most heartily congratu- ate the Government on their achieve- ent, and not least do we congratulate hose who have not always seen eye to ye with us on this question that they ave put national considerations before arty. So did hon. Members on those enches who now cheer till their nation- lism evaporated a short time ago, and hey became once more the protagonists f party. This policy was introduced nly in the nick of time. I despair of ne or two hon. Members opposite, but he great majority of the House realises hat this policy came at the eleventh our and stopped a rot which filled every an in the country with alarm. But for he tariff, everyone knows that there vould have been 200,000 or 300,000 more nemployed to-day than there are. No one can dispute that. You only have to look at the figures of the reduction in imported manufactured goods. [AN HON. MEMBER: "Increased unemployment."]

There are more people employed in the manufacturing industries than when the Government first adopted their policy. [AN HON. MEMBER: "Coal and shipping."] I said the manufacturing trades—and coal and shipping are ultimately dependent on the productive industries of British manufacture. The effects of the policy that the Government have embarked upon are only just beginning to be felt in industry. I could take the right hon. Gentleman to South Wales and show him iron and steel works which have been closed for years and have now been opened. I can show him an increase of steel bars for re-rolling. [AN HON. MEMBER: "Where?"] In various districts in South Wales. I received a letter yesterday from a gentleman in the trade in South Wales who invited me to go down. I cannot pronounce the name, but I will give the hon. Member the information. There are in many directions indications of a slight revival. The question of steel has had a remarkable effect also on coal. I can tell the hon. Member the amount of coal that it takes to make a ton of steel bars. Perhaps he did not know that the two things are correlated. I can assure him that they are. The hesitant policy of the Government when they were impelled in the direction of their tariff policy resulted in so great a dump of foreign iron and steel goods in the original stages that it is only to-day that those supplies have been worked off.

I will mention another fact in case the hon. Member really believes that we have adopted a high tariff which is having a very serious effect upon our trade. You will find that our imports of manufactures last year, very largely after the tariff was completed, were only 36 per cent. down on the previous year and only 10 per cent. on 1924, and in volume manufactured imports were the same as in 1923, when the Leader of the Conservative party decided that they were so great that he must appeal to the country. Even with all your tariff policy up to date, you are still importing as many manufactures as you were in the high year 1923. I shall never criticise the Advisory Committee. The Government's policy in appointing it was a stroke of

[Sir H. Croft.]

genius, and I hope it is going to be followed in the Dominions overseas. But it always seems to me that the Advisory Committee has never been treated fairly by Parliament. It ought to have had definite advice from this House as to what the House really required in the matter of a tariff. We never gave them any indication. They do not know the very question that was asked by both the Mover and the Seconder, whether our tariffs should be protectionist or revenue or high or low. I think Parliament should consider in the not too distant future whether we could not give to the Advisory Committee the advice which up to now they are lacking. The 50 per cent. Abnormal Imports Duty was introduced admittedly to cover the crisis of the moment. I do not know whether it was Beelzebub casting out sin, but the right hon. Gentleman did not prevent, as he might have done, the rapid scaling down of this duty. I believe that the Abnormal Imports Duty while it lasted was a perfect God-send to British industry and did no harm to anyone in the country.

I hope and pray that we shall see a more reasonable figure in some of these industries. The figures are so important that I must read them. I will give them in round figures without the hundreds. They are the monthly averages of retained imports while the Abnormal Import Duties were in operation. The first figure I will give is from 1st January to 26th April, 1932, and the second figure from May to December, when the Abnormal Import Duties were not in operation. Earthenware, under the Abnormal Import Duties, £4,000 monthly average, and in the last months, May to December, £18,000—a very great increase; glazed tiles, £1,600,000, and in the later months £10,000; domestic tiles £17,000, and in the later months £76,850; illuminated glass, £17,000 went up to £33,000; glass bottles, £9,000 went up to £22,000; tools, £15,000 went up to £25,000; cotton manufactures, £66,000 went up to £161,000; woollen manufactures, £64,000 went up to £140,000; silk hose, £13,000 went up to nearly £44,000. That is the result of Beelzebub, or whoever it was, interfering.

Mr. WHITE: Do I understand that the hon. Baronet's policy at the World Conference would be a general 50 per cent. tariff?

Sir H. CROFT: I can answer that at once. I think the scaling down of these duties from 50 per cent. to 20 per cent. was a most ghastly blunder. I think it was lack of experience. I want to see an average of more than 33⅓ per cent. In fact, I should like to see 33⅓ per cent. as the minimum. Since the hon. Gentleman asked me a question, I am absolutely convinced that if we could have kept this great range of goods on the 50 per cent. basis the right hon. Gentleman could then have gone to the International Conference, and he would have had a very much easier task. I believe that the vast majority of Members in this House do not agree that our tariff was introduced merely to promote Free Trade. Our tariff was introduced to give employment to our people, and we rejoice for what has been achieved. The hon. Gentleman knows that comparing this country with any other country in the world since we introduced our tariff we ought to go down on our knees and thank Heaven that the position of our country is so good compared with that of other countries.

Sir H. SAMUEL: Have not they got tariffs?

Sir H. CROFT: When this country was still under a Free Trade system, as the right hon. Gentleman knows, it was going headlong to ruin—we even persuaded him to join up to the national forces—and nothing could have saved us. All the rest of the world, it is true, are on a higher tariff basis. We have always contended that if you give Britain the same economic advantages as other countries possess, that, not only would we hold our own, but we would certainly do better than any other country in the world. That is what is happening. Let me also tell the right hon. Gentleman that since we have introduced the tariff policy we alone in the world have maintained our export trade.

I want to put a concluding idea before the right hon. Gentleman as to what we should aim at. I suggest that some such formula as this would really be helpful to the country. Each industry should be given such security as would guarantee the highest volume of employment to the workers available or capable of their own work in the particular industry, and only after sustained trial over a period of years should an industry be deprived of the full benefit of the tariff on the ground of unsuitability or inefficiency. I believe that that really is a principle which appeals to my hon. Friends who support His Majesty's Government. I urge them to look at the question from that standpoint.

Unemployment is the cloud which hangs over the land. Every right hon. and hon. Gentleman on that bench, and in every other part of the House, feels this question more than any other. There are still coming into this country manufactures which we can produce ourselves in sufficient quantities to give employment to thousands of our people, and I urge the Government, having regard to the fact that the protection of the Gold Standard no longer exists owing to so many countries having gone on to sterling, and so many other gold countries having adjusted their prices in order to meet the situation, to reconsider the question and to put those great industries once more in hope and heart. If we do that, we shall put a great many into employment in this country, and if we link it up with a stronger policy of Empire development and the moving of populations to where they have more chances of producing within the Empire, we shall really, and it is by that means alone that we shall make a substantial contribution to the employment of our people.

.35 p.m.

Mr. HERBERT WILLIAMS: I beg to second the Amendment.

My hon. and gallant Friend who so eloquently moved it has made a number of interesting suggestions on tariff problems. I am sorry that the hon. and gallant Member for Pembroke (Major Lloyd George) is no longer in his place. I should like to compliment him on the way he delivered his speech, but I disagree with some of the things he said. He referred to the Ottawa Agreement as being a tragic blunder. It is very unfortunate that anybody speaking from the Front Opposition Bench should make a statement of that kind without the slightest evidence in support of it. He merely made the bald statement. I know of no evidence that it has been a tragic blunder, and no evidence has been brought either by the hon. and gallant Gentleman or anyone else to that effect. Therefore, in the strongest possible way I condemn the making of such a statement in this Chamber when it may be reproduced all over the world and create an entirely false idea, particularly having regard to the very distinguished name the hon. and gallant Member bears.

He adopted the philosophical practice of many people of saying, " That it must be this or it must be that." There are so many people who say that it must be black or it must be white, but a great many things are grey. It is the old language of having given up beating your wife. You must have tariffs either for protection or for bargaining. My hon. and gallant Friend pointed out that if we had gone into the conference with foreign nations with tariffs already a little too high we could have negotiated very satisfactorily, and left ourselves adequately protected, and gained the concessions in return. I have often thought with regard to the Import Duties Act that if we had started off without Empire Free Trade but with Empire Preference we might have found it a little easier to negotiate at Ottawa with people who in some industries have tariffs which are obviously too high. In this world you have to be generous with your friends, but, at the same time, you have to be reasonably sensible.

The burden of the Motion which we are discussing is that Free Trade is really desirable, but there is a certain amount of reference to the World Economic Conference which is to come at some time or another. We must not over-emphasise the importance of external trade. The real truth of the matter is that we do literally earn our living, the bulk of us, by taking in each other's washing. There is such a variety of garments to be washed. There is a very large internal economic balance, and a great many people have not the faintest idea of the statistical situation. It will probably startle them to know that only 6 per cent. of the activities of the people of this country last year was devoted to supplying goods to foreigners. All the ancillary work was included in that 6 per cent. That is the relationship between the f.o.b. value of British exports, with all the services spent on them, and the material contained in them, in relation to the value of all the goods and services produced in this country in that period. You must not over-estimate the importance of export trade. There is no intrinsic merit in the export trade at all. The countries in the

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temperate zone cannot produce all their foodstuffs and raw materials and there are certain manufactures which they cannot produce. In order to pay for these you must have certain exports. As a result of a series of accidents in the past, some industries have been built up under artificial conditions, in that they depend in the main upon their export trade. There is no particular merit in exports.

Mr. DAVID MASON: What is to happen to the shipping industry?

Mr. WILLIAMS: There is no particular merit in any industry, unless it is rendering an essential service. If you have two ships crossing the sea, one taking boots from this country to America, and the other bringing boots from America to this country, it is an entirely uneconomic process which ought to be washed out, and the world would gain at large if neither of those ships crossed the ocean at all. The whole purpose of industry is to produce at the maximum efficiency, and there is no justification for shipping to perform unnecessary services any more than there is for a clerk in a Government office to perform a job which need not be done. In the long run you do not create employment or prosperity for people by doing things which ought not to be done at all. It is just as well that we should recognise that this country will always import largely and export largely, but it wants to select its imports. It does not want to import those things which it can obviously produce for itself.

We have been very modest in our tariffs up to now, and I share the view of my hon. and gallant Friend that we are a little too modest. I do not think that anyone realises how modest we are. The very admirable journal produced every week by the Department of the right hon. Gentleman, The Board of Trade Journal, gave us on the 19th January a most illuminating article. It was based on the imports of 1930. That year was chosen because they had not been disturbed by the new tariffs. On the basis of that year we had total imports of £1,037,000,000. We applied duties of 10 per cent. to £204,000,000 worth of goods, 15 per cent. to £35,000,000, and 20 per cent. to £96,000,000 worth of goods. The higher duties on an ad valorem basis only covered £32,000,000 worth of goods. There was £161,000,000 worth of goods subjected to specific duties, and £322,000,000 worth of goods were left entirely on the Free List. There you have a range of tariffs lower than you will find in any other industrial country in the world. Our bargaining weapon in the Conference is to say to the other nations: "We will be willing to maintain our tariffs at the present low level, if you will reduce your already too high tariffs." That is the basis on which we should talk to those foreign nations.

Sir H. SAMUEL: Does the £322,000,000 on the Free List include Dominion and Empire products?

Mr. WILLIAMS: Oh no, it is not on that basis, but on the basis irrespective of their origin. The free list is much larger than that as certain goods are on the free list because of their country of origin. It is a basis irrespective of origin. That situation represents a very high degree of moderation. Though a convinced Protectionist, I have never been a very high Protectionist, because if you carry your tariffs too high you will do harm. I thought that my right hon. Friend (Mr. Runciman) was wrong in putting the tariff at 50 per cent., but if we had started at 33⅓ and kept it at that figure we should have been in a happier position. Fifty per cent. for all time would eventually produce inefficiency on the part of our manufacturers. We have to bear in mind that our balance of trade is still adverse. From the figures produced by the Board of Trade the other day, it is difficult to see where we are at the moment, because one does not know whether to take into account or not the unexpected payment which we made to the United States. If you leave that out of account, we are still substantially on the wrong side. Therefore, our currency system is still in a measure of danger, because we have to find, or we had last year, more money than we receive from the sale of our goods. On the other hand, this year has opened well, and it is clear that there is an upward movement of exports to Empire countries. That was shown in the last three months of 1932 after the Ottawa Agreements some of which were not in operation at all and others had only been in operation for some six weeks.

I agree with the Liberal party on the subject of the Most-Favoured-Nation Clause. I think that it is impossible for us to bring about the reductions in tariffs which we desire until we are free to negotiate and either to impose excessive duties on products of an individual country, or equally to give specially favourable treatment to the goods of an individual country which we are not compelled to extend to others. We have to go back to the system pursued at one time in this country, and which certainly has been pursued to a large extent by the United States of America and is now the policy of Canada, of what is known as the conditional clause. You give an undertaking not to place a country above a certain level and you are entitled to put the country on a favoured list. If hon. Members will read the report of the committee appointed by the League of Nations they will find there set out an example of both the conditional and unconditional clauses. I would like to see His Majesty's Government take their courage in both hands and announce to the whole world simultaneously the renunciation of the Most-Favoured-Nation Clause in every treaty and offer in exchange the conditional clause, and then they would be free to enter into effective negotiations. The hon. and gallant Member for Pembroke said:

> "If our restrictions—which have not been going on very long—continue, the time will come when our creditors will not be able to pay us."

That is a statement loosely made; we so often talk about the "foreigner," as if there was one gigantic collective foreigner. [An HON. MEMBER: "Our creditors!"] I said "foreigner." As a matter of fact, there are some nations that owe us very little, at least on the commercial basis; most of them owe us a great deal on another basis which apparently they are not going to pay, and everybody seems unanimous in saying that they should not pay, provided that we are not going to pay anybody else. But so far as commercial debts are concerned, we are not large creditors of our commercial competitors, but we are creditors largely of people with whom our trade is complementary. If the hon. and gallant Member studies the trade returns for January, in which there is an analysis of trade showing the exports and imports, he will find that the new policy has had little or no effect on our imports and exports with those countries that owe us a great deal of money. His fears, therefore, concern things which have no existence.

The hon. Member who moved the Motion states that the chief factor in producing the world-wide economic depression is to be found in the financial and economic restrictions placed on international trade. That statement does not fit the facts. In 1928 the world enjoyed the next most prosperous year that it had ever known: more people were in employment throughout the world, enjoying a higher standard of living. The only year that beat it was the next year, which continued to be an extremely prosperous year until the beginning of October. There were heaps of tariffs at an abnormally high level, and we were not getting our fair share of the prosperity, though in this country in 1929 there was a larger production of goods, more people were working, and there was a higher standard of living than there had ever been before. Into this world, full of every kind of tariff restriction, which had grown prosperous despite all these tariff restrictions, came the Wall Street crash, which I have always attributed to one outstanding cause: the excessive prosperity of the United States. The Wall Street crash stands out more than any other solitary thing as a cause of the world's present distress. War debts were not the outstanding cause; they were suspended for 18 months, and the position was worse at the end of that suspension than when it took place. We must not exaggerate, or allow people to make statements without looking up the facts of the situation.

I hope that His Majesty's Ministers will be willing to accept the suggestion made by my hon. and gallant Friend that there should be some definite broad direction of policy to the Import Duties Advisory Committee. I agree with him entirely when he says that it would be deplorable if the decisions of the Advisory Committee in respect of individual industries ever became a matter of political controversy. We want to avoid that, and those of us who have sometimes been disappointed with some of the recommendations have done all we could to dissuade our friends from making them a matter of controversy. I do think, however,

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that it is the duty of Parliament to say to this committee that the general sentiment of the people of the land to-day is in the neighbourhood of 33⅓ per cent.

If the time comes when we have in office in this country a Government which is predominantly Free Trade in its outlook, it is not likely to restore a policy of general Free Trade. It might give a general instruction to the Import Duties Advisory Committee in that direction, in terms of a much lower rate of duty, and within that general rate it would be the job of the Committee to make the necessary adjustments to fit every particular industry. But we should be neglecting our duty if we left to those gentlemen the sole responsibility of determining the general tariff level of our country. Naturally the recommendations they make must be conditional on the complete and absolute freedom of His Majesty's Ministers to negotiate either with Empire or with foreign countries. Subject, however, to those conditions, I think it would be an admirable thing if a kind of general instruction were given which would result in the fixing of tariffs on a rather higher level than the existing one. To do so would give a good deal of satisfaction in many industries.

4.51 p.m.

Mr. HENDERSON STEWART: In rising for the first time to address the House, I beg for the indulgence which it so generously and unfailingly accords to a new Member. May I, at the beginning, associate myself with the complimentary remarks that have been offered on the speech made by the Mover of this Motion? I am not sure that I agree with every word in the Motion, but with its general tenor there can be, on these benches here and, indeed, in other parts of the House, very little, if any, disagreement. The hon. Member for Rotherham (Mr. Dobbie), who showed more boldness and alacrity than I in entering the lists of this House, took the opportunity of his speech to interpret the meaning of his victory. Rotherham was lost to the National Government, and lost, as far as we could gather, on one single item of policy—namely, the means test, which was the main subject of discussion during the contest. East Fife, on the other hand, was held for the Government, but, equally with Rotherham, on one main issue. In our case the issue was the Government's handling of the international trade position. That happens to be the subject which we are discussing this afternoon, and I am grateful, therefore, for the opportunity which you, Sir, have given me of making this the subject of my first contribution to the House.

In East Fife, fortunately, we do not experience the acute and widespread distress suffered in Rotherham and industrial areas of that kind. Our people, therefore, are able to take a wider view of the problems of the country than, I am afraid, is possible in a community a considerable portion of whose people are living or expecting to live on the transitional payment. It is difficult to take the big, wide outlook in an unemployment queue. Our better fortune in the North is due in large measure to the variety of activities in the division—agriculture, fishing, mining, linen works, linoleum, jute, and even golf—a not inconsiderable industry, as many hon. Members know. Some of these industries have suffered and are suffering acutely at this time, but they have not all suffered all the time. The prosperity of the lucky ones has reacted on the others, and we have been able, therefore, to maintain a somewhat higher level of employment than other areas.

The diversity of activities—of trades—has had its effect, too, in broadening the interests of the community. Some—indeed, most—of the major trades are concerned with the export market in large or small measure, and it may be for that reason—its interest in overseas trade—that East Fife has been a traditional Liberal seat. I feel sure that my hon. Friend the Member for Dumbartonshire (Commander Cochrane), who represented the Division so ably in this House a year or two ago, will not dispute that suggestion. Indeed it may even be described as a traditionally Free Trade seat. It was represented in this House for well nigh half a century by the most brilliant and powerful advocate of Free Trade that we have ever known. In view of all these facts, it is not surprising that the electors of that division should have taken the keenest interest in international problems, and that I should have chosen as the main reason for seeking support for the National Government its handling, present and future, of the international trade problem. The result of the ballot shows that in that part of Scotland at any rate, with all its traditions, the Government policy is approved and the electors see in its continuance the best hope for the future.

For what is the position? Great Britain—as the Seconder of the Motion said, very rightly—is dependent upon her export trade. I am not sure that I can accept the figure of my hon. Friend the Member for South Croydon (Mr. H. Williams) that the export trade accounts for only 6 per cent. That figure is only, I suggest, an indication of the great fall in all export trade during the last two or three years. The truth is that two out of three of the unemployed at this time are connected, directly or indirectly, with some kind of exporting or shipping trade, and there can be no lasting relief to these men until new markets for their produce have been opened overseas. Next to the maintenance of peace in the world, there is no more urgent problem facing the National Government than that of finding new markets. Time was when the free movement of gold and exchanges, of goods and services automatically adjusted trade. We grew rich under that system. But that day has gone, and we are the poorer for its passing.

I am entirely in agreement with the hon. Member who moved this Motion in deploring the restrictions which deface the frontiers of every country and which restrict the free flow of trade between one nation and another. These restrictions strangle business. Our domestic exports to the United States, for example, have been reduced to one-third of what they were four years ago through excessive tariffs over there. In the Argentine the effect has been in many cases to kill trade. I can offer the House a very small but typical example. Golf club shafts, hickory shafts, invoiced to Buenos Aires at 5s. 3d. each, are subjected to a tariff there of 8s. 7d. each, and the total cost to the buyer therefore amounts to 14s. The result is that the agents for that St. Andrews firm have wired St. Andrews saying: "No more supplies; trade is practically dead." The system of quotas in France has caused endless trouble. The export bounties of Germany, in which the hon. Member for East Aberdeen (Mr. Boothby) is so interested, have threatened to dislocate a great industry in which both he and I are vitally concerned. Everywhere, particularly in the Argentine, where vast sums of money are lying frozen, money belonging to exporters in this country, exchange restrictions hamper trade. Mad with an unreasoning nationalism, countries have followed each other, chased each other, in destroying the channels of trade; and the whole world suffers. In self defence—and here I find myself for the first time at variance with the hon. Member who moved the Motion—we were forced to take emergency measures to protect our standard of living: I could see no alternative. But it is wrong for this country and wrong for every nation in the world to continue these tariffs and other barriers to trade, and the sooner they are removed the better for all nations.

I agree with the Motion in urging upon the Government the earliest possible summoning of the World Economic Conference and the preparation of the British case for the removal of restrictions. But we must face the facts. Circumstances are not favourable, I am afraid, to the world conference now or in the near future. You cannot have a world conference without first having the spirit of conference. I do not see that spirit, rather do I hear the tramping of troops, and that is not the best accompaniment for a close examination of the complicated problems such as the World Economic Conference will have to tackle. What then? I do not subscribe, and I cannot subscribe, to the full policy of reciprocity which has been expounded this afternoon, but I say that it will not be enough to sit down and wait for more peaceful times. We should proceed with greater energy to arrive at agreements as the result of the negotiations which are now being carried on with individual countries. The representatives of the Argentine are in London now. No country presents a more artificial or a more harmful system of trade restrictions than the Argentine. We should strive to reach an agreement so that the products of the two nations can be freely exchanged. Negotiations are proceeding with several countries in Europe; let us expedite these negotiations.

East Fife registered a vote of confidence in the Government, but it also

[Mr. Stewart.]

asked for further action. The coal trade of the East of Scotland looks to the Government to secure outlets in Scandinavia. By no other means can the unemployed miners in that part of the country find work. The herring industry looks to Russia and Germany for its markets; they are mainly closed now. I was returned to this House because the men employed in these great industries believed that this Government more than any other, through reciprocal trading agreements, can find markets for them and, therefore, work for them; outlets for their produce. No Government has ever had greater authority than the present Government. It commands still the confidence of the people as no other Administration has done since the War. It must not fail these men who are looking for export markets. The men in the fishing villages are suffering. Their weekly income is often only a few shillings, less even than the transitional benefit to which they are not entitled, Their wives and their children are suffering; families that once were proud to own their cottages are now letting off rooms and living huddled in the kitchen. Food is becoming scarce; but, worse than all, the spirit of these fishermen is breaking. They do not demonstrate. There is no Hyde Park in East Aberdeen, or in East Fife, where these men can parade their complaints. They do not show their poverty; they are too proud to admit defeat, economic or otherwise, but it is crushing them. This Government and this Parliament have a responsibility to every family in these fishing villages. A great, proud people who did magnificent work for the country in its hour of peril, they ask now only for the opportunity for further service. Surely this House will not deny them that simple right.

5.8 p.m.

Mr. CHARLES BROWN: I should like to congratulate the hon. Member for East Fife (Mr. Henderson Stewart) on his very admirable speech. He comes fresh to this House from a triumph in a by-election and he concluded his speech by adding one more to those numerous descriptions which we frequently hear as to how the part of the country which he represents is experiencing, as other parts of the country are experiencing, steadily worsening economic conditions. The hon. Member for South Croydon (Mr. H. Williams) always makes an interesting contribution to our discussions, but to-day he made the most amazing contribution that I have ever heard him make. He intended to convey the impression that the whole development of international trade has more or less been a tremendous blunder in the history of mankind. I could not put any other construction upon his words or upon the arguments he used. But while listening to him I felt that, after all, our social life in this country is what it is largely because in the past we have been able to draw on all the world for many of the things which we now regard as essentials of life. Why the hon. Member for South Croydon should speak in the way he did about international trade passes my comprehension. It may be due to the fact that he has to go out of his way to try and bolster up the very faulty arguments he uses in favour of tariffs.

During the Debate we have heard from the hon. and gallant Member for Bournemouth (Sir H. Croft) and the hon. Member for South Croydon two different views, which have been responsible for the policy out of which many of our difficulties have arisen. The hon. and gallant Member for Bournemouth brought before us again the idea of building the British Empire into a sort of self-contained economic unit, and the hon. Member for South Croydon preached a self-sufficient nationalism. Surely, if the world is suffering at this time from one thing more than anything else it is from this idea of a self-contained nationalism. Most of our difficulties are created by trying to call into existence economic systems founded on this principle. The hon. Member for East Fife talked about the tramping of troops. We all know that the rivalries which are engendered in one way or another by the economic policies which have been pursued in recent times are bound to lead to all kinds of friction, which in the end will find expression in the growth and development of militarism in all its forms. It is the necessary concommitant of economic friction engendered by the self-contained nationalism which is preached in these days.

Having listened to the Mover and Seconder of the Motion expounding the doctrine of Free Trade, and to the proctionist arguments on the other side, feel that the weight of argument lies ntirely with those who have brought rward the Motion. Obviously, if we re going to pursue a policy of restricons and a further building up of tariff arriers, then, inevitably, we shall get to deeper difficulties still. The House -day has been asked to direct its attenon to the forthcoming Economic onference. So far as that conference concerned, and the relations of His Iajesty's Government to that confernce, very much depends upon whether is Majesty's Government have any efinite views as to what should be done. s far as I can gather their views are ot very definite. I can find nothing in e speeches of their spokesmen which ads me, to believe that they have rmed any definite policy as to what ught to be done in existing circumances. They are not prepared to go to e conference and advocate the policy commended in the Motion. I do not ant to discourage the hon. Member for irkenhead (Mr. Graham White) but I not think he will find, even after the dmirable speech he has made, that he ill succeed in inducing the representaves of His Majesty's Government to go the World Economic Conference and pport the policy he advocates. Nor do think that the hon. and gallant ember who moved the Amendment the Seconder will get out of e Economic Conference, as far as is Majesty's Government are conrned, what they are expecting, ecause the Government is really a nonescript Government, neither Free Trade r Protectionist. [AN HON. MEMBER: "That is quite wrong!"] Someone says at that is quite wrong. I suggest that on. Members who are Protectionists and ho feel that the Government is not Proctionist ought to do everything they n to remove it as quickly as possible. also say to hon. Members who are Free raders and who feel that the Government is not a Free Trade Government, at they too should do everything they n to remove the Government as quickly possible.

Mr. BOOTHBY: What are you going put in its place?

Mr. BROWN: The hon. Member asks hat I would put in its place. Before I ldress myself to that question I would comment on the respective policies which are being advocated in relation to what seems to me to be the real difficulty facing us at the moment. That difficulty surely is that the great masses of the people, not only in this country, but in other countries, are unable to obtain many of the things they greatly need. There must be something radically and fundamentally wrong with an economic system which both Free Traders and Protectionists are seeking to bolster up. The Members of the Government will only go to the World Economic Conference to do all they can to bolster up what is obviously a rapidly decaying economic system. Whatever they do will be mere patchwork, because they will not face up to the real issues which confront us in the world to-day.

Now I address myself to the hon. Member for Eastern Aberdeen (Mr. Boothby), who interrupted. In view of the fact that neither the Free Trader nor the Protectionist is likely in the long run to get us out of our difficulties, though they may temporarily alleviate them, the only hope for the country is the substitution of the Government now occupying the Treasury Bench by a definitely Socialist Government, which will direct its attention to the concrete reconstruction of the existing economic system. That is my answer to the hon. Member. Consequently, although at the World Economic Conference I would like to see the Government pressing for a policy of world co-operation, believing as I do that we shall only even alleviate our difficulties by a further integration of the world's economic life, I think that that would at any rate get us out of some of our difficulties. But I have no illusions as to what will be the ultimate outcome of the Economic Conference. It will not solve for us in any way the real economic problem which awaits solution. That can only be solved when the men who govern this country are determined completely to reconstruct a breaking and tottering economic system which, in the course of going to pieces, is inflicting almost intolerable hardship and suffering on millions of human beings.

5.20 p.m.

Mr. BOOTHBY: I would like to join the hon. Member who has just sat down in offering my very sincere congratulations to my hon. Friend the Member for

[Mr. Boothby.]

East Fife (Mr. Henderson Stewart) upon what I humbly venture to suggest is one of the best maiden speeches we have listened to for many a day. Even although my hon. Friend is a Liberal I am bound to say that I find myself in substantial agreement with almost everything that he said. [An Hon. Member: "What are you?"] I am not a Liberal, whatever else I may be. This is a most extraordinarily interesting Motion, touching what I believe to be the most vital question of the hour, and I think that the House owes a debt of gratitude to the hon. Member who brought it forward. We shall probably all agree, whether Liberals or Conservatives or Socialists, that the fundamental cause of the economic crisis in which the world finds itself to-day is the fall in wholesale world commodity prices which has taken place continuously since 1921 so far as this country is concerned, and has sharpened since 1929. I have always maintained that a contributory cause to that catastrophic fall in prices was the financial policy pursued by this country during the years 1920 to 1930—the policy of deflation, which was necessitated by our going back to the Gold Standard at the pre-War parity of exchange. That was a policy which was settled as long ago as 1921 and carried through by successive Governments in this country, and I have never ceased to believe that it was a calamitous policy, not only from the point of view of the interests of this country, but from the point of view of the whole world.

There is no good crying over spilt milk, but I do think that now we are in a position of comparative freedom of action in these matters, we should consider very carefully before we commit ourselves in the immediate future to any very definite policy which might involve similar disastrous results. As a result of this fall in world prices the situation first went slowly down, and then more rapidly from bad to worse. To-day we are in a very different position from that which we occupied in 1929 or 1930. More drastic measures are now required to get us out of the mess we are in, than would have been required a few years ago, because the whole world to-day is literally frozen with fear. Confidence has gone in almost every country. I suggest to Liberals that tariffs and exchange restrictions are not really the cause of the trouble. They are only symptoms of the real anxiety, and even the fear, of every single important Government in the world with regard to the present economic situation.

The Minister of Agriculture designated some of my Liberal friends the other day as "barrier sweepers." He referred to those hon. Members, particularly in the Liberal party, who are always talking about sweeping away the barriers which obstruct world trade. But we shall not get very much further by mere barrier-sweeping now. In my opinion we have to go deeper than that, and to seek what are the causes of the barriers which are admittedly obstructing international trade at the present time. I do not think we shall get very much further by trying to pretend that economic nationalism will be removed from the world in the immediate future. In my opinion economic nationalism has come to stay for a considerable time, and the methods employed by economic nationalists, tariffs, quotas, restrictions, controls, and even prohibitions, are also likely to remain in the world for some time to come. We must adapt ourselves to the conditions with which we are confronted, and see what we can do for our people and for the world in the existing conditions, accepting that the policy of economic nationalism, so far from dying down, shows every sign of increasing; and seeing what, in these circumstances we can do to alleviate its rigours, and trying to lead the world, as I think we can, back to some form of sanity in international economic relations.

The cause of the world economic crisis is admitted by every party—the fall, continuous and steepening, in wholesale commodity prices throughout the world. What is the remedy? Surely the remedy is to re-establish, by some means or another, the relation between prices and costs, not only in this country but in other countries as well. In order to do that we have either to raise prices or to lower costs; and in order to lower costs we have to lower wages. In my submission to lower wages is merely to aggravate the problem, still further to reduce consumption, still further to reduce expenditure, and ultimately still further to reduce prices. I am emphatically in favour of our adopting the former course, which is to raise wholesale prices by

me means or another. How can we
that? How can we raise wholesale
ices in this country and throughout the
rld? It seems to me, by any analysis,
at there is only one way, and that is
increase expenditure, so that demand
es up until ultimately it begins to
ceed potential supply.

I have always supported the views of
ose who maintain that, having got to
pitch we have reached now, the only
mediate way to increase demand is to
crease what the economists call loan
penditure. It is often asserted, not
ly in this House but outside, that rigid
onomy in productive expenditure is
cessary to-day in order to increase
vings and to make additional capital
ailable for industry and private enter-
ise. But observe the double fallacy
derlying that assertion in existing cir-
mstances. First of all it is assumed
at there is a fixed supply of capital.
ere is not. Credit is infinitely flexible,
t only in this country but throughout
world. It depends primarily upon
nfidence, which we have to restore.
condly, it is assumed that in existing
cumstances private savings, if they
re increased, would find their way into
oductive industry. I do not believe
at they would. I believe that a great
rease in private savings, if it were
ought about, would find its way first
o the repayment of debts, and then
o Government securities, as the safest
m of investment.

Nobody but a fool is going to risk pri-
e savings at the present time in indus-
unless he sees some chance of a
sonable return. You are not going to
e the necessary impetus and restart
wheels of industry, in this or other
ntries by mere barren economy in pro-
ctive expenditure for the purpose of
reasing private savings. That might
ve been effective five or six years ago,
t now you have to turn to more drastic
asures. In this connection I do not
nk it is without significance to recall
t, in the second half of the 19th cen-
y, the factor which was most respon-
le for hauling this country out of two
jor depressions was increased expen-
ure in capital development on the rail-
ys, and electricity. The factor most
ponsible for hauling the United States
of the depression of 1921 was the
mendous expansion of expenditure in
pital development on roads and on
motor transport. I believe that if the Government take their courage in their hands, the factor that will be most responsible for hauling this country out of the present depression will be expenditure in capital development upon housing construction in the next three or four years.

Look at Europe at the present time. They are far ahead of us in slum clearance, and in housing schemes. Go to Vienna, to Hamburg, to almost any German city and you will find better working-class conditions, as far as housing is concerned, than can be shown in any big industrial centre in this country. The irony of the business is that a large part of the money which went to create these new housing schemes came from the City of London. It would have been much better had that money been spent in this country, and the City of London would not have regretted it, because they would have had a safer and surer return upon their money if they had lent it in this country than they have in existing circumstances. [AN HON. MEMBER: "But they would be getting less interest."] They would be getting a lower rate of interest but for a much longer time. My argument applies not only to housing, but to electrical development. We are coming along slowly in that respect, as far as the Southern Railway is concerned. But the railways of Switzerland and Northern Italy, and even the French railways are much further on than we are in the matter of electrification. If one compares those countries with this country, if one looks at our filthy slums—a disgrace to civilisation—our declining railways, and our meagre electrical development, one can surely say, "Here is a theme to which the Government should give very close and earnest attention.

I will only give one example, as regards the railways. The railways always complain that people are more prone to travel by road than by rail. Look at the railway stations in this metropolis. Are they inviting? Do they, by their amenities, appeal to people? What hon. Member would willingly go to Liverpool Street, for example, or King's Cross, if he could possibly help it? I ask hon. Members to compare the great termini of London with the magnificent railway station which has been erected recently at Milan largely through the drive energy and inspiration of Signor Mussolini. Apart from anything else, it is one of the

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finest examples of modern architecture on the Continent. I think the time has come when we ought to show a little less fear in this matter of constructive and productive expenditure, and a little more imagination than we have done in the last few years.

I was very interested, as I dare say were all hon. Members, in an article from the pen of Mr. Keynes which appeared in the "Times" this morning. I think it was the most interesting article so far of the series which he is contributing. In that article, he compared the effect of improving our foreign balance of trade, with the effect of a policy of loan expenditure in this country. He pointed out that the Labour Administration had made some halting, timorous and largely futile, attempts at a policy of loan expenditure, under admittedly difficult conditions, and had failed. He also pointed out, what I am sure we are all agreed upon, that the National Government had made some very bold, resolute, determined and largely successful experiments, in the direction of improving our foreign balance of trade. But, he said, the improvement in our foreign balance of trade had been largely off-set, as far as a revival of prosperity and a reduction of unemployment were concerned, by the reduction in loan expenditure carried out under the influence of the present Government. He said that this was the supreme moment to carry through the two policies of improving the balance of trade by wise and judicious restriction of imports, and of developing and expanding loan expenditure in this country, simultaneously. His submission, if I have read him aright, was that if the Government would pursue both lines of policy, simultaneously and resolutely, we would quickly see an appreciable result on the figures of unemployment.

I believe that in that submission Mr. Keynes is right; and I ask the right hon. Gentleman the President of the Board of Trade, if he is going to reply, whether the Government do not now see that, having successfully restricted the flow of imports, having to a large extent restored the balance of trade, having carried through successfully a great conversion scheme, the essential corollary to all this is a policy of expansion and productive development at home, if we are to make any serious inroads upon the increasingly alarming figures of unemployment in this country? What is the policy of the Government in this matter? That is what we want to know. Is it expansion, or still further contraction? Is it productive expenditure, or better and larger cuts all round? That is what we have a right to know; and that question brings up a vital point raised by several hon. Friends of mine recently as to foreign treaties. We were told at the General Election, and have been told since—and I for one believe it to be true—that one of the main advantages which we would derive as a country from controlling, regulating, or even prohibiting imports from abroad, would be that we should have a weapon in our hands with which to negotiate favourable foreign trade agreements with European countries.

I was glad that my hon. Friend the Member for East Fife raised that question, because the interests of his constituents in this matter are largely similar to the interests of my constituents. We have both a large number of farmers, and a large number of fishermen. Our farmers want to obtain a reasonable price for their produce and our fishermen want access to the European markets. And at the present moment neither can get either. I think the reason is that none of these treaties, about which we heard so much, those treaties which were to be based upon reciprocal advantages to the European countries and ourselves, have so far materialised. I ask the right hon. Gentleman whether he can give the House any enlightenment upon this vital question—is he taking any steps to stop the importation of subsidised goods from Europe? He himself has admitted in figures, if not in fact, that oats and oat products, deliberately subsidised by foreign governments, have smashed the market for our own producers. Is he taking any step to deal with that situation? Then, what steps is he taking—I refer to the industries with which I am more directly concerned, but the coal industry, for example, is just as important—to obtain access to European countries for the goods which we wish to export? All depends upon these commercial treaties which, we learn, he is negotiating. Some of us are beginning to think that the right hon. Gentleman has been negotiating too long, and we ask him, can he not hurry up the negotiations a little? We also ask him whether he is entirely convinced that the most-favoured-nation clause is essential in all these treaties. Some of us are beginning to think that it might be modified.

I beg the Government to give a lead in all these matters. Money, as the right hon. Gentleman knows, was never so cheap as it is to-day in this country. No one but the most violent political partisan would deny credit to the Government for that fact. It is largely because of the confidence in this country, which was restored by the accession of the National Government, that money is so cheap. Why do the Government not use the advantages which they have created, instead of sitting down, having achieved that very remarkable feat, and doing nothing further?

Mr. ANEURIN BEVAN: Surely my hon. Friend will admit that cheap money is a symptom of industrial depression and is an evidence of the failure of the system, and not one of the achievements of the National Government.

Mr. BOOTHBY: I do not agree at all with my hon. Friend. During the time that the Administration which he supported was in power, money was much dearer, and industrial depression was just as bad. Cheap money, I readily admit, cannot by itself rid the country of industrial depression, but it would be a good thing to use the cheap money, and cheap materials as well, when we have the opportunity, in order that an impetus shall be given, which may haul us out of the industrial depression. As a matter of fact you will never balance your Budget unless and until you increase the national income. The only way you can hope to increase the national income is by increasing industrial prosperity; the only way you can increase industrial prosperity is by getting a rise of wholesale prices; and the only way you can raise wholesale prices is by increased loan expenditure for capital development.

Instead of bemoaning tariffs, which have come to stay throughout the world, for the time being, the House would do better to concentrate upon urging the Government, first, to adopt a vigorous constructive and imaginative policy at home—that is the first essential and the necessary condition of any recovery in the world at large—and, secondly, to concentrate upon coming to some arrangement for economic co-operation in the near future, not with the whole world, for we have had enough of world conferences since the War, and they have all been dismal failures, but with the most important country of the lot, the United States. I feel very strongly about this matter. I have not had an opportunity of addressing the House upon this subject since I returned from the United States, and my visit there in November and December last year convinced me more than ever that not only is it possible to achieve economic co-operation with that great country, but that it is the most desirable thing, from the point of view of the whole world, that could happen at the present time.

If we achieved a measure of co-operation with the United States, not only with regard to War debts, which I believe can be done, but also with regard to financial policy, and currency, there need be no fear as to the success of the World Economic Conference. Between us we can carry through anything. The right hon. Gentleman the President of the Board of Trade knows full well what could be done if we came to terms with the United States. I do not mind if those terms involve going back to the Gold Standard under a guarantee that the Federal Reserve Bank and the Treasury in Washington will co-operate with us in working that standard, and making it efficient for international purposes. If we could come to real terms, and arrive at a real economic agreement and basis of co-operation with the United States, I believe it would be a decisive step in restoring the fortunes of the world and of the capitalist system. I believe this can be done, and that never was the opportunity so great as it is at the present time.

Nobody can deny the vigour, courage and imagination which the President of the United States has shown during the last few weeks in dealing with an acute financial and economic crisis. I find myself wishing sometimes that the National Government here, with all the prestige, power and authority which they undoubtedly enjoy—no less great than that enjoyed by President Roosevelt—were now displaying an equal vigour, courage

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and enthusiasm in dealing with our affairs. I am sure there has never been an opportunity in the whole history of the world when economic co-operation between Great Britain and the United States could be obtained upon such beneficial terms to both, and that the Government of this country ought to address itself to that task above almost anything else. In conclusion, I would like once again to beg my right hon. Friend to urge the Chancellor of the Exchequer, when he comes to introduce his Budget, to produce something constructive, something a little imaginative; to suspend the Sinking Fund, reduce taxation, embark upon loan expenditure, and lift not only this country but the whole world out of the abyss into which we have sunk.

5.47 p.m.

The PRESIDENT of the BOARD of TRADE (Mr. Runciman): The House has listened with great interest to-day to a series of speeches which have shown a degree of unanimity that one would scarcely have thought possible in this House. My hon. Friend who opened the discussion did so in a speech which was very quiet in tone but very forceful in argument, and I congratulate him upon the skill with which he dealt with his subject. The Motion was seconded by my hon. and gallant Friend the Member for Pembroke (Major Lloyd George), who, I was glad to find, was speaking in the presence of his father. His father must have noted with great satisfaction the advance made by my hon. and gallant Friend in his Parliamentary skill. We have had since then a number of speeches marked with considerable ability, and I should like in particular to congratulate my hon. Friend the Member for East Fife (Mr. Henderson Stewart) on his maiden speech in this House.

Let me come now to the speech which has just been concluded. My hon. Friend the Member for East Aberdeen (Mr. Boothby) was enterprising enough in the closing months of last year to go to America. He has been back now, I think, something like three months. It is some considerable time since his return, and during the three months that he was here before the crisis in America, I do not think he told us what he anticipated. I have no doubt that my hon. Friend could see America going headlong to ruin, but he did not tell us. We only expected him to put his intelligence into the common pool and to give us the full advantage of the lessons he has received from his enterprising journey in that great country. But it is not my hon. Friend's American experience with which we are concerned to-day. He has uppermost in his mind a restoration of our prosperity here by a great increase in capital expenditure. I have no doubt that, like other people who have studied this question, he draws a distinction between different forms of capital expenditure. Capital expenditure on work which is unreproductive may give no permanent advantage to those who are engaged in it; capital expenditure which is remunerative—and there is a very large field in which it can be remunerative—may be considered under favourable conditions; and, quite frankly, I think the present is a moment when some forms of capital expenditure of that nature ought to be encouraged. There is very little doubt that at the present moment a little impetus in this direction would be beneficial.

I am not quite so certain that by dabbling in the money problem we should produce all the beneficent results prophesied by those who are so sure about the currency theory. A great many of those who are most reliable on the currency theory are least in the habit of making *pronunciamientos*, and the man who tells us he knows all about currency is usually a very bad guide. I do not for a moment suppose that we ought to have shut out from our consideration all questions of currency problems, of the influence of money upon trade, and so on. They react one upon the other, but we can very easily exaggerate the influence of money changes made here or abroad. There is really only one thing which will bring about a restoration in trade. I must apologise to the House for saying anything so commonplace, but it really is true that the only thing which will bring about restoration in trade is an increased demand. That demand may be stimulated, it is true, but it may be stimulated sometimes in the wrong direction. Increased demand is the only possibility, as I see it, of there being any return to prosperity in this country or any of the industrial countries of the orld.

Where is that demand most likely to me from? I think everybody deplores e course of events in the Far East. here is no doubt that just at the very me when it appeared that the Chinese arkets, among the greatest markets in e world, were going to be reopened ce more to Western supplies, and the velopment in their own borders of inustry, at that very moment there came e Far Eastern crisis, and there has been ave interruption of the movement wards an increased demand from China. e House has only to be reminded of hat a small amount in every Chinese ousehold, were it asked for, of Western oods would bring about a real boom in me of our staple industries. If every hinese, for example, were to have one irt a year more than at present, the ade of Lancashire would achieve a osperity which it has not known since e War.

Mr. A. BEVAN: What about our own eople?

Mr. RUNCIMAN: My hon. Friend ould remember that the best way to elp our own people is by giving them ork. What I am discussing at the resent moment is the way in which, in very much larger market than ours ere at home, we might bring about a emendous increase in the demand for ritish goods. My hon. Friend surely as not forgotten the fact that there are Chinamen to one Englishman.

Mr. ATTLEE: What about their purhasing power?

Mr. RUNCIMAN: It can only be inreased by increased activity in their own rade, and their purchasing power is inreasing year by year, and has been ntil quite recently. The fact is that in urchasing power China is one of the actors which might have had a great ffect in restoring the trade of the world. f course my hon. Friend opposite is ntitled to say, "What about our people t home?" I do not shut out from my ind for a single moment that an inreased demand here in our home arkets from our own people is bound to e beneficial. These things react upon ach other, but you cannot get an inreased demand from our people who are living upon the dole or who have got the dole.

Mr. BEVAN: You can increase it.

Mr. RUNCIMAN: If you do that, you draw away supplies of money from other purposes, and you are really no better off; you are making a transference from one individual to another in the most unscientific way. The course of the discussion to-day has made it quite clear that the minds of Members of this House are wandering away from the World Economic Conference to problems with which we are all more familiar, but if I may be allowed to say something about the Conference and the prospects which can be drawn therefrom, I would say, in the first place, that that Conference, so far as we are concerned, cannot be held too soon. But we are not the only members of it, and it is absolutely essential that other members of the Conference should be convinced of the necessity for an early meeting if it is to assemble at an early date. We have done everything we could. Our representatives have collaborated in the preliminary discussions, and those preliminary reports convey to a very large extent the views of His Majesty's Government. We have made it clear that as soon as others are ready to meet, we are ready to meet, and we are prepared to discuss with them, with no restraint put upon the subjects to come before the Conference and, I hope, with no restraint in the expression of views of which we shall be the authors, every aspect of international trade and international finance.

I am not sure that others are as ready as we are in that matter, but because we are prepared to go into that Conference, whenever it may be held, ready to enter into discussions, we are not going to allow the time before the Conference is held to be wasted. If we had to wait until the Conference was held, we might have to wait many months. We have lost no time in getting to close quarters with the representatives of other nations whose trading relationship with us is at present under a cloud, and in other directions where we are most anxious that there should be increased traffic between us. We are carrying on at the present time conversations with the representatives of four of the nationalities of Europe and one of South

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America. We have had the honour of a visit from the representatives of the Republic of Argentina during the last few weeks, a visit which, I need hardly say, we very highly appreciate, and we have had the advantage of discussing at close quarters with them the trade relationships between our two countries.

We have made considerable progress in those discussions. I know my hon. and gallant Friend the Member for Pembroke was a little impatient with us because we were not going very fast. We have been at work with them now, I think, only about two months. I would remind my hon. and gallant Friend that the Franco - German commercial treaty, which was concluded only a short time ago, took no less than three years to complete, and I hope that he will allow us, I will not say three years, but a little longer than two months to carry through a very complicated and difficult transaction with an important country like Argentina.

Mr. D. MASON: Who is to issue the invitations to the World Economic Conference?

Mr. RUNCIMAN: If my hon. Friend will give me notice of that subject, I shall be glad to give him a full answer, but I think we may take it that that is one of the functions of the League of Nations. The Conference has been summoned by the League of Nations, and I presume that the invitations will be issued by the League of Nations. When I was interrupted, I was making reference to the speed with which our negotions were being carried on. I can assure the House that we are losing no time, but it would be a great mistake for us to be impatient, to hurry along a path which we had not carefully surveyed, or to enter into engagements the repercussions of which we had not very carefully considered; and just as it is necessary for us to proceed with great caution, it is equally necessary for the other Governments with whom we are negotiating. A mistake made in regard to one of our great staple industries would do harm, not to the negotiators, but probably to thousands or tens of thousands of people who may be engaged in that industry. We have to safeguard their interest as well as we can.

I may tell the House quite frankly that we are attempting, as far as we can, to give a broad and general survey to the whole of our interests. We are doing what we can to get out of the habit of thinking with a one-track mind, which very naturally is a fault into which men engaged in a particular industry all their lives can very easily fall. I plead guilty to it myself. I know how easy it is to exaggerate the details with which you are in daily contact and to allow others to slip by. We have, therefore, to hold the balance as carefully as we can, to take the widest possible view of our requirements, and to appreciate to the full the difficulties of those with whom we are negotiating. It is in that spirit that we have in the last few weeks made very considerable progress, and as soon as we are able to make any announcement with regard to preliminary agreements which we have reached we shall make it first in this House.

I have been asked what effect the most-favoured-nation clauses will have upon our negotiations, and my hon. and gallant Friend the Member for Bournemouth (Sir H. Croft) is apprehensive lest the most-favoured-nation clause in our commercial treaties should impede our freedom of action. I would, therefore, like to say a few words about the clause, which has been such an essential part of our commercial treaties in the past. The real difficulty which arises in regard to it is that it has become the corner stone of all our commercial treaties. There are 42 of those treaties in existence which contain the most-favoured-nation clause. Although that clause does, to some extent, handicap our freedom of action, it has, on the other hand, very great advantages. If we take an evenly balanced view of it and look at it from both sides, the House will admit that for a country with such world-wide interests as we have, the most-favoured-nation clause cannot be easily dropped. The House will observe, however, that in saying that I do not commit myself by phraseology or otherwise to adhering to the most-favoured-nation clause under all conditions and at all times.

One advantage of the most-favoured-nation clause is that it ensures a general absence of discrimination, and that in itself is a great advantage for our business men here. Furthermore, if we had not the most-favoured-nation clause in our commercial treaties, it would be necessary for us to deal with every item in our tariffs, with probably a different series of rates applicable to particular countries, and the variety of duties which would have to be considered by our business men, our contractors, our salesmen and those who are drawing up estimates, would be enormous almost beyond imagination. Every item of every country, all varying and none of them on any one settled principle and covering such a variety of conditions, make it almost impossible for the ordinary business man to know where he is. The advantage of the most-favoured-nation clause as it stands at present is that he can look at the tariffs and see what is the lowest rate, and he knows that he is entitled by commercial treaties to claim that treatment. He knows that that is an advantage which ought not to be too readily thrown away.

The most-favoured-nation treatment does not prevent countries reducing tariffs. There has been a tendency in some quarters of the House to believe that the most-favoured-nation clause is an obstacle to the reduction of tariffs. It does not prevent countries dealing with tariffs, however high or low they may be, and it in no way affects the heightening or the lowering of a tariff. This clause has become such an essential part of our commercial policy that in all the recently concluded treaties—those between France and Germany, France and Belgium, France and Czechoslovakia, Germany and Italy, Germany and Sweden, Germany and Finland, as well as a great many other minor treaties—we have had full most-favoured-nation treatment given to us without our having to go into the negotiations or to take any part in the very long adjustments, which in the case of France and Germany took three years. When they concluded that treaty, we had the full advantage which we enjoy at the present moment.

Sir H. CROFT: Does not that apply to a large number of other countries at the same time?

Mr. RUNCIMAN: That is perfectly true, but directly we come to the region of discrimination, we get a new set of difficulties which we must consider one by one. I would like to point out in passing that, although most-favoured-nation treatment plays a part in those treaties, there are some cases, such as France, where most-favoured-nation treatment is not likely to be continued to us. The quota system as it has been worked in France may become really a form of discrimination. It has been my duty to draw the attention of the French representative to the way that discrimination in other matters is operating to our detriment, and we may have to take the matter further. We cannot allow it to rest where it is. There has been discrimination with regard to the surtax in France. We are not receiving the most-favoured-nation treatment there. France is giving Belgium advantages which are not held by the citizens of this country. Again, we have not only to draw the attention of the French to this fact, but we have to make it clear that it is a condition to which we cannot permanently be parties, and the time must arrive when action is necessary with regard to their exclusion of us from the benefits which they give to others.

My hon. Friend who opened the discussion obviously had in his mind the treaty between Holland and Belgium when he spoke of a low-tariff movement. I would like to say exactly what happened over the Belgium-Holland Treaty. When we were in Lausanne last year, the Belgian Foreign Minister came to me to tell me that Holland and Belgium were contemplating a commercial treaty which would give each other advantages which they did not at present enjoy. He told me that the parties to the treaty would make progressive reductions of their tariffs in each other's favour by five annual steps of 10 per cent., so, however, that the reductions were not to go below 4 per cent. ad valorem on semi-manufactured products, and 8 per cent. on fully manufactured products. I was then asked by him if we would be prepared to come to a similar arrangement. I had to point out to him that our commitments with practically every commercial country in the world prevented our entering into any discriminatory arrangement with either Belgium or Holland, and that so far as we were concerned we could not waive our most-favoured-nation rights in either country. In doing that I was not merely taking part in a debate between two countries; I was thinking of the interests of our own people at home. How could I possibly have been a party to entering into an arrangement between

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Holland and Belgium which would place Belgian steelmakers in a favoured position in Holland as against our steelmakers? I had to make quite clear to them that so far as treaties between Holland and Belgium were concerned, we could not waive our most-favoured-nation rights; we intended to adhere to them, and we have adhered to them to the present time.

There has been a suggestion that by doing that we have stood in the way of a low-tariff movement. I do not think that we have done anything of the kind. If there were to be an extension of low-tariff arrangements on the Continent, it could be done irrespective of our most-favoured-nation rights and in spite of them. The truth is that the Continent was not ready for any arrangement of this kind. I do not know whether it is readier to-day. I hope that it is, but I am not sure of it. I think that it is much more likely that Europe will have to pass through the experience not only of harder times, but of hard negotiations, before we shall be able to persuade the Powers of the Continent that there are great advantages to be got, not from economic warfare, but from economic agreement. It is because we are proceeding alone the line of economic agreement that I am more hopeful of the future. I do not think that we should have gained anything by going into the Holland-Belgium arrangement. We should have gained no advantage to our business men, and made no progress in our international negotiations.

If there is to be anything in the nature of a low-tariff group, we must examine how far it is likely to affect our own manufacturers and exporters and importers. That will be our first duty. when we have examined that, we shall be better able to know how to deal with proposals that are placed before us. I have no objection to belonging to a low-tariff group as long as our own rights remain intact. I should like to see all Europe going on to a lower level. My hon. and gallant Friend the Member for Bournemouth is fond of the illustration of a brick wall. I should welcome the lowering of every wall; I should like to see them all come down, but let us be quite sure that when we are talking about lowering tariffs we do not do it to our own detriment. We have to consider first what are the interests of this country.

I should like to mention four things which might be conditions for any scheme that is likely to be made. First, it must be likely to be effective in securing really tangible reductions of excessive tariffs; second, it must command a sufficiently general measure of support, it must cover a wide enough area; third, it must not impose upon this country sacrifices disproportionate to those demanded of other countries; fourth, it must not have injurious repercussions or lead to tariff wars or other economic hostilities. Within those limits we are ready to consider any proposals that may be put forward. I have not time to deal with the negotiations with every one of the countries with whom we are in discussion, but we are using the organisation of the Government, both political and permanent, so that we can proceed with the greatest rapidity along this road. I will, in conclusion, make one practical statement with regard to our negotiations. They cannot be one-sided. If they are one-sided, neither we nor the representatives of the countries with whom we are negotiating will separate satisfied. Unless the arrangements which are made satisfy the requirements of both their countries and us, they are not likely to last.

Moreover, in negotiating, both sides must make concession. I want to make it clear that if any nation sits back in the hope that we will enter into successful negotiations with another Power and that they will be able to achieve most-favoured-nation treatment without consideration coming from them, they will come to a deadlock. If they gain any advantage from us, they must be reciprocal in their action. They must be ready to make concessions similar to ours and to those of other countries. Unless they do that, we cannot agree to most-favoured-nation treatment being retained as a permanent element in the conditions which control their traffic and ours. If it is used against us in any instance we will drop it at once, and we will be ready to take individual measures without regard to most-favoured-nation treatment in such cases as I have in mind. I hope those who now are doing so, after discussing it with us, will bear in mind, therefore, the fact that while this system plays such a large part in the commercial life of this country, we are not so firmly wedded to it that we can allow it to be used to our disadvantage. In the knowledge that we are proceeding along the right path, I would ask the House to be patient while our negotiations are conducted, and I hope that we shall have a happy issue out of all our afflictions.

.16 p.m.

Sir STAFFORD CRIPPS: The right hon. Gentleman has dwelt at considerable length upon the negotiations now proceeding with foreign countries, but he has not told us anything at all about the Government's policy for the World Economic Conference, and I was under the impression that the Motion to-day was dealing with the World Economic Conference. He told us, with the same gloom that comes now every time from the Front Bench opposite, that we have got to face harder times. I think the country is getting more and more depressed with a Government which can do nothing but reiterate the coming hardships and open up no prospects of their solution. The right hon. Gentleman said that he was delighted to have got out of the one-track mind. I congratulate him, but unfortunately he has got into the no-track mind, which perhaps is even worse. The one-track mind at least leads somewhere, but the no-track mind leaves you wandering about in a circle in which you inevitably lose your way. The right hon. Gentleman told us that there was only one thing to bring about a restoration of trade, and that was increased demand. I should be glad to know whether he has at last reversed his policy. Does he now believe that that belt which he advised us all to tighten ought to be loosened again? No, he does not believe it.

Mr. RUNCIMAN: I never said anything about a belt.

Sir S. CRIPPS: The reference was to slimming. I was referring to the wrong article of clothing. One associates with the slimming policy another article of clothing which I will not mention. The right hon. Gentleman is now, perhaps, going to put the patient upon the other diet. Are we now to understand that the only way to bring about a restoration of trade is to increase demand, that the Government are no longer favouring a policy of creating a diminution of supplies in order to raise prices, but a policy of increasing demand so as to raise prices, that is to say, that they no longer regard the problem as one of over-production but as one of under-consumption? If the right hon. Gentleman and his colleagues have at last come to realise that, after having been told it from all sides of the House for 18 months, we must at least congratulate them upon that amount of intelligence.

Looking round the world he says, "Where can we expect this increased demand? China? Unfortunately, there is a war in China, so the coolies cannot buy any more shirts." Might I suggest to him that there are plenty of people in Great Britain who want shirts at the present time, and if he desires to put the mills of Lancashire to work upon making shirts he could do it quite easily by distributing shirts to the unemployed. He would thereby create increased demand for shirts, which is what he wants; he would produce employment in the mills of Lancashire, and he would enable some of the money and credit which are lying idle to be put into circulation by the purchase of shirts. Surely we have not yet reached the stage when, to increase the demand for commodities at home, we have to wait until the Chinese war is over. That is the only prospect the right hon. Gentleman holds out to the country, that we have to wait till China is again quiescent, till the purchasing power of the Chinese has been raised sufficiently to give an increased demand for commodities in this country. If that is all the right hon. Gentleman has to offer the country I am afraid they will not be very grateful to him.

This Motion, as I understand it, is to call attention to the possibilities of what might be done at the World Economic Conference, and it proceeds upon the basis that the best thing we can do is, by agreement, to get rid of tariffs and economic antagonism, what I might call the international method of procedure, and to try to bring about a reasonable frame of mind by international agreement. The Amendment, on the other hand, proceeds upon the basis of the old fallacy that if you want to stop war you should arm yourself strongly. It proceeds upon the basis that the best way of getting rid of economic nationalism is to be as nationalist yourself economically as you can be. We believe that to be a profound mistake. It is exactly that spirit

[Sir S. Cripps.]

in other people of which we are so loudly complaining, and if we ourselves now adopt it we can hardly expect our action to help to solve the problem. But in our opinion all these views are not views which are either going to solve the problem or which can be usefully advanced to achieve anything at a World Economic Conference. These economic antagonisms which are displayed in the ultra-nationalist views now held all over the world arise, as was quite rightly said by the hon. Member for East Aberdeen (Mr. Boothby) out of the capitalist system, exactly as military nationalism and the armament problem equally arise out of the capitalist system. Neither Free Trade nor tariffs, as has been mentioned by one or two speakers, can be held to be responsible for the present circumstances of the world, nor will the abolition of the one or the other bring about any cure.

The other feature which has been spoken of to-night—international indebtedness—is just another typical example of the international capitalist burden. The discussion on the Austrian Loan which we had in this House not so long ago was very typical. The argument was put forward by the Government that we should supply Austria with money in order that she might be able to pay her debts, in order to continue this structure of international capital indebtedness which everybody admits, even capitalists, is vitally hindering the process of distribution throughout the world. It is exactly the same when one comes to look at the economic system which is causing all the difficulties to-day. It is the intense competitive antagonism between countries which lies at the root of the tariff and trading difficulties, the quotas, the exchange difficulties and everything else; and just as you cannot get rid of war until you get the spirit of disarmament among the nations, so you cannot get rid of this economic war until you get the spirit of co-operation instead of competition as the basis of national and international trade.

However difficult the problem may be internationally, surely the Government might give a lead to the world, as has been said by one or two speakers to-night, by seeing whether they could not first eliminate cut-throat competition in the industries of this country. Then, at least, they could go to the rest of the world and say, "We here have the power to control an economic unit which we can arrange with you shall fit into a world structure," because that is what, after all, the World Economic Conference is for. It is to build up a world structure of finance and trade in order that we may do away with all those vicious barriers and hindrances. Surely one of the first objects of everybody going to the Conference who wants to be able to lead it, is to be able to say, "So far as my country is concerned, we have eliminated all these vicious processes. Here we have a co-operative State run for the benefit of the community. We have eliminated competition and now we are prepared to fit into a world structure of a similar sort." If that could be put forward by His Majesty's Government at the coming Conference, there might then be some hope of world economic peace, but as long as the Governments of the world go to the World Economic Conference imbued with the theories of competitive capitalism, it is idle to talk of a world economic peace. Hon. Members who may smile at that thought will, I feel convinced, after the World Economic Conference has met and come to whatever decisions it may come to, find by experience that it has not brought about world economic peace.

6.27 p.m.

Sir H. SAMUEL: We have had to-day, as the President of the Board of Trade has said, a most interesting Debate, and I must begin, as others have begun, by congratulating my hon. Friend the Member for East Birkenhead (Mr. White) both upon the value of the subject he has chosen for to-day's Motion and also upon the admirable and effective speech in which he moved it. We would also extend our thanks and our congratulations to the hon. and gallant Member for Pembroke (Major Lloyd George), whose speech, I think, pleased the whole House, and no less we add our congratulations to the hon. Member for East Fife (Mr. Henderson Stewart) who made a striking maiden speech this afternoon. On the whole, the Debate has not spread too wide. We were anxious in moving this Motion to concentrate the attention of the House upon the one question of the World Economic Conference and the policy to be advocated there by the Govnment of Great Britain. Had we in- uded all aspects of the economic ques- on now occupying men's minds we ould have required a Debate not of four ours but of four days, or longer, and r that reason, and not because we nder-estimate their importance, nothing s been said from this quarter to-day bout monetary policy, a matter upon hich my hon. Friend the Member for ast Aberdeen (Mr. Boothby) spoke, and hich is unquestionably one of very great, d perhaps prime, importance, but is a bject for a separate discussion. So so with the question of the employment capital in valuable enterprises in this untry as a remedy for unemployment. hat is a matter to which, of course, we tach the very first importance, and on hich we have often spoken, but we ex- uded it to-day only for the reason that have mentioned.

The question is, What should be the jective of the United Kingdom at the orld Economic Conference? Should it the openly-declared, definite and ener- tically pursued policy of the removal the restrictions upon world trade, or ould we, for various reasons, such as ose mentioned by some hon. Members which I shall again refer, be luke- arm or even indifferent in pursuing at object? To restrict production is ry easy; it has been done by all untries continually. To increase nsumption is very difficult. The rmer policy is wrong and the latter licy is right. It is only by pursuing, hatever its difficulties, the latter policy at the Government at the Economic nference can render useful service to e world. On these matters, to-day's ebate has evoked many interesting ex- essions of opinion, but it has not oked, I am afraid, any very definite onouncement from the Government. e right hon. Gentleman the President the Board of Trade has told us very tle. We did not expect him to say ything about negotiations now in pro- ess. Necessarily, when a Government engaged in prolonged and difficult nego- ations, it must complete them before can declare to the House and to the untry what the results have been, but e did hope that the right hon. Gentle- an would give a general indication of e course which the Government is pur- ing, and for which he wishes the country's support when the World Economic Conference meets.

The right hon. Gentleman elsewhere has made occasionally very specific pronouncements. For instance, just over a month ago, speaking in his constituency of St. Ives, at the chamber of commerce there, he used words which already have been referred to by my hon. Friend the Member for East Birkenhead:

> "I only wish the German Government would put a stop to that insane quota system which has become the curse of European trade."

Again, in his speech he said:

> "The French have a most difficult task before them. We wish them well, but again I would ask that they would bring to an end the quota system."

Yet two days ago in this House was introduced the Agricultural Marketing Bill, which provides that the quota system shall be established here for our own agricultural products, not temporarily for the sake of any emergency, but permanently, as part of the fiscal policy of this country, and on the back of the Bill is the name of the right hon. Gentleman the President of the Board of Trade. If a quota system is insane and the curse of European trade, how can the right hon. Gentleman propose with his colleagues to establish it in this country, not for purposes of bargaining, but as a permanent part of our agricultural and commercial policy? How is it that the Free-Trade Dr. Jekyll of St. Ives, by some sinister transfiguration, turns into the ultra-Protectionist Mr. Hyde of Whitehall?

Lord DUNGLASS: Will the right hon. Gentleman allow me to interrupt? Was not the name of the late Secretary of State for Scotland on the back of the Wheat Quota Bill?

Sir H. SAMUEL: The wheat quota is not an import quota. The word "quota" in that connection means an entirely different thing, and is a complete misnomer. [HON. MEMBERS: "Oh!"] Hon. Members do not seem to be aware of the distinction. It should be obvious to anyone who has studied the matter for a moment that the wheat quota is a sheer subsidy. It consists in demanding from the consumers, through the millers, a certain sum on each sack of flour, which is distributed among the wheat growers.

Sir H. CROFT: Is that better than the Agricultural Marketing Bill?

Sir H. SAMUEL: Yes, far better than that Bill. I would be led too far away if I were to argue on the wheat quota. I would repeat with emphasis that the wheat quota is not an import quota. There is no restriction of imports of any sort or kind, and there is no attempt to raise the wheat price of Great Britain above the world price. That was the specific undertaking, given before the Bill was introduced, that no attempt would be made to raise our prices above world prices. When you have a quota, saying that you shall only have a certain amount of wheat from this or that country, and only a certain amount from another, that may be good or bad, but it is an entirely different thing. Therefore the interruption of the hon. and gallant Member applied to an entirely different set of circumstances.

One of the main questions that have emerged from the discussion is this: Are our tariffs to be used for protection or for bargaining? Hon. Members have said that they are to be used for both. They cannot be used for both. In so far as they are maintained for protection, they cannot be used for bargaining, and in so far as they are for bargaining they cannot be used for protection. The right hon. Gentleman the President of the Board of Trade said that there was a great deal of unanimity in different quarters. I beg to disagree with him. On this issue there is no unanimity. The hon. and gallant Member for Bournemouth (Sir H. Croft) said to-day, as he has said very many times before for very many years, that our tariffs must be maintained in order to give employment to our people, because other countries have sometimes 50 per cent. lower wages. There is no question of bargaining there. Whatever other countries did, if they abolished their tariffs altogether, the hon. and gallant Member would say that our tariffs must still be maintained.

Up and down the country, year after year, he has made eloquent speeches on platforms to great multitudes of people, saying that if only you shut out the importation of foreign manufactured goods, those goods would have to be made here, and that our own people would be employed. He has used a lively imagination and astronomical figures in regard to the manufactured goods concerned and to the number of people who would be brought into employment in this country. That is his policy—unless you shut goods out you do not get that employment, and in proportion as you shut goods out you do get employment.

Sir H. CROFT: You must always retain freedom to lower your protective duty for a country that treats you on a friendly basis.

Sir H. SAMUEL: That illustrates the essential inconsistency of the hon. and gallant Member. He says, at one and the same time, "You must shut out the goods of countries who have lower wages because they will compete with us unfairly, but if they are ready to abolish their tariffs, we shall be ready to abolish ours." On which leg does he stand?

Sir H. CROFT: I have no difficulty in standing on both legs.

Sir H. SAMUEL: I should be very interested to see the hon. and gallant Gentleman stand on both legs now and tell me what he would do in circumstances in which a country with a lower standard of wages was willing to abolish its tariffs if we abolished ours.

Sir H. CROFT: Since the right hon. Gentleman is so kind as to put a question to me, I can only answer him in this way: When your tariff is a 50 per cent. tariff, you are perfectly at liberty to give protection to your people and to reduce that tariff by 20 per cent. or 30 per cent. if the other country is willing to do the same.

Sir H. SAMUEL: And still maintain a tariff?

Sir H. CROFT: Yes.

Sir H. SAMUEL: That is the admission that I wanted the hon. and gallant Member to make. No matter what other countries do, you would still maintain your tariff if their wages are lower?

Sir H. CROFT: Yes.

Sir H. SAMUEL: I have obtained that very definite statement from the hon. and gallant Member, and now I shall draw the deduction. The hon. and gallant Member said that if our Motion were carried and acted upon, it would cause dismay to the agricultural and industrial interests of this country. No matter what other countries did, our Motion would abolish our Tariffs if other countries did the same. We had a discussion in the House the other night which has a bearing upon this very point. I will come back to the hon. and gallant Gentleman. A colleague of his, the hon. Baronet the Member for Barnstaple (Sir B. Peto), putting forward some fiscal views in a very small House, after 11 o'clock on the Motion for the Adjournment, stated the case of the fabric-glove makers of his constituency. He said, "Why have the Government held up the Recommendation of the Import Duties Advisory Committee in regard to fabric gloves?" The Import Duties Advisory Committee has made a Recommendation, which has not been published, and no one knows whether it is a Protectionist decision or not. The hon. Baronet said, "We are concerned with the fabric-glove industry, which is being ruined by importations from Saxony. We know that the increased Duties have already made a considerable difference over and above the advantage of the appreciation of the pound, but they want, as I want, a still higher duty in order to shut out all gloves from Saxony." The Government said, "No. We are now engaged in negotiation with Germany, and this may be a useful bargaining counter." The hon. Baronet the Member for Barnstaple said, "I do not care about your bargaining counter. Your bargaining will not benefit my constituency. I want a good stiff protective duty against fabric gloves." An hon. Member who represents a constituency in the Potteries got up and said exactly the same thing. During an agricultural Debate many agricultural hon. Members said, "Why should our constituents be subjected to a flood of imports from Denmark, or any other country, in order to get advantage in the Danish market, or in any other market, for our manufacturers?"

You cannot at one and the same time protect and bargain. You must make your choice. That is a point that I wish to emphasise most strongly to the House to-day. We are often told that this country is the greatest food market in the world, and we are told, "Let us use that great economic power to secure advantages for our export trade in other countries of the world." We are told to-day that the agriculturists say, "Oh, no. We must retain our market to the utmost possible extent for our own agriculturists." What becomes of the utility in bargaining in the greatest food market in the world? At the time of the General Election, when people voted they were told that the National Government, if it adopted tariffs, would use them in order to secure freer trade throughout the world. Millions of electors voted for candidates for the National Government on the assurance that that would happen, and that tariffs would be used to get rid of tariffs. The Lord President of the Council, when he went to Ottawa, very distinctly declared that to be the objective of the Government. We even have the Chancellor of the Exchequer, who has been an arch-Protectionist all his life, using just one week ago very different language, after some experience of what Protection really has resulted in in this country. I will venture to read these words, because they are most significant of the movement of opinion which has affected even the most obdurate minds. The Chancellor of the Exchequer said:

> "We have always to remember that in this country we have been in the past a great exporting nation. We have a large number of our people who earn their living by making goods and selling them to foreign countries."

I would remind the hon. Member for South Croydon (Mr. H. Williams), who is not at this moment in his place, of this declaration by his leader, because he said that our export trade was of very small importance, and that what really mattered was the home market. The Chancellor of the Exchequer went on:

> "In the last few years our foreign trade has shrunk until it is half of what it was. The idea"—

and these are the significant words—

> "that we can replace what we have lost in foreign trade by any artificial stimulus, applied in this country, appears to me one doomed to disappointment."

I was not able to be present at that Debate, but I read those words in the OFFICIAL REPORT. I rubbed my eyes to see that I was reading the Report of the right date and a speech by the right speaker—that I was not reading a speech of my own in answer to a speech of the Chancellor of the Exchequer. I found that it was a speech by the Chancellor of the Exchequer answering himself—

[Sir H. Samuel.]
answering what he has been saying all his life long. He went on:

> "It is a hard saying, but it is necessary to say again what I firmly believe in my own mind. You cannot expect that this country can attain prosperity while all the rest of the world is depressed."—[OFFICIAL REPORT, 8th March, 1933; cols. 1302-1304, Vol. 275.]

That is the view of all the expert advisers who have been summoned by the various Governments of the world to give counsel on this difficult and complex matter. Unanimously the experts appointed to prepare for the World Economic Conference—appointed by the League of Nations, appointed by the various countries, appointed by the Bank for International Settlements—have agreed that that is vital; they placed in the very first rank the importance of getting rid of these restrictions. Therefore, I suggest that, if the Government are in any degree consistent with their own declarations, and unless they reject the considered advice of the greatest economic experts in the world, they must go to the World Economic Conference with the very firm resolve to use their bargaining power, if they can, to get rid of tariffs and other restrictions, including quotas, and to secure greater freedom of world trade. But can they do that? Will the course of events during the last 12 months permit them to do it? We have argued the Ottawa Agreements so fully that I do not propose to do more than mention them, but there was established at Ottawa a series of agreements which prohibited this bargaining so far as relates to all the duties that are imposed in order to give Imperial Preference.

The iron and steel industry here has been guaranteed for another two years the very high duty of 33⅓ per cent., no matter what the World Economic Conference may decide, no matter what other countries may be willing to do. The Agricultural Marketing Bill which is now before the House establishes a new system of quotas with respect to a number of agricultural products—quotas which are to be retained permanently, and which cannot be bargained with. In addition to those obstacles, we have an even greater one, namely, the pressure of the whole Protectionist movement in this country—the pressure of the hon. and gallant Member for Bournemouth, the pressure of the hon. Member for Barnstaple, the pressure of the hon. Member for South Croydon, the pressure of all those who, irrespective of bargaining, are determined to maintain tariffs in this country. The Government will be in a dilemma in this matter, and the President of the Board of Trade has given us no guidance as to whether, when they go to the World Economic Conference, they will make it their prime objective to bargain and reduce, or whether they will yield to Protectionist influences and maintain. It will be a struggle—a pull between those who are in favour of maintaining restrictions for Protective purposes and those who are in favour of the free importation of flour or other commodities. It will be a question of "Pull devil, pull baker," and I am not at all sure that baker will win.

It is not to be expected that at the World Economic Conference all the high Protectionist countries will agree to an effective reduction of their tariffs. Are we, therefore, doomed to anticipate failure? Is any high Protectionist country, like France, or the United States if it still remains so, to be allowed to exercise a veto upon the whole Conference—a kind of *liberum veto* such as existed in the old days in Poland? That brings us to the proposal which has already been brought before the House, and which has been made in the country, that we should not allow ourselves to be absolutely blocked by lack of unanimity, but should endeavour to form a group of low-tariff or Free Trade countries which are impressed by the necessity of removing restrictions, and are willing to do so among themselves. The President of the Board of Trade spoke about it, but he took a very detached view. He is ready to consider what will happen. If any countries come along with a proposal of that kind, the Government will see what they think of it. We are the greatest commercial and the greatest shipping country in the world, we have a far greater interest in this matter than anyone else, and it is our business, the Conference being here in London, in our own capital, to indicate some objective to the Conference and to pursue it. It has been said that it is not for us to give a lead; but not only have we not given a lead hitherto, but we have stopped the lead given by other people—

by Belgium and Holland. I agree with the right hon. Gentleman that we could not straightaway form part of the group that was then proposed, but if we had to give, for the time being, a negative answer, at all events we could have said to Belgium and Holland: "You are on right lines; we will support you in endeavouring to secure the widest possible agreement on this point," and so have given encouragement to a movement which is in itself sound. We find the world in its present condition, with 100,000,000 people, including dependants, workless in the chief countries, with deficits piled up, with taxation increasing, and extreme distress in this country and throughout the world, and yet the Government are failing to give a lead on this essential matter, but are waiting to see what other people may propose.

Lastly, there is the question of the most-favoured-nation Clause, to which also the right hon. Gentleman has referred. I have been advocating for more than a year, in private and in public, that the most-favoured-nation Clause will have to be reviewed if any progress is to be made in the reduction of tariffs. I have not, however, advocated its abolition. I agree with all that the President of the Board of Trade has said to-day as to the value of maintaining a form of most-favoured-nation Clause, but it must be a form which allows of exceptions. Hon. Members have said constantly to their constituents that they believe in treating well as regards tariffs those countries that treated us well, and in treating not so well those countries that treated us badly. But you cannot do that so long as the most-favoured-nation Clause prevails. If any country, like Sweden, or Argentina, or whatever it may be, treats us better under its tariff, and we make concessions on our part, we have to extend precisely the same concessions to all other countries, whether they treat us well or ill. That should have been obvious from the beginning, before the Government embarked upon a policy of this kind. Now, however, there is a growing volume of opinion in this country and in other countries that there must be a modification of the most-favoured-nation clause if we are to make real progress. The Association of Chambers of Commerce have approached the Government on the matter, and that is a very significant and important fact. They have as yet had no reply. Two Members of the late Conservative Government have declared in this House that they are in favour of a modification of the most-favoured-nation clause, namely, the right hon. Gentleman the Member for Sparkbrook (Mr. Amery) and the right hon. Gentleman the Member for Tamworth (Sir A. Steel-Maitland), and to-day the hon. Members for Bournemouth, South Croydon and East Aberdeen have all said the same thing.

I agree with the President of the Board of Trade that whether we can agree to this modification depends upon the area of countries that agree to a low-tariff arrangement. If there were only one or two, we might lose more than we gained. But, at all events, we could make it widely known, *urbi et orbi*, that, if there is a tendency in the world to reduce tariff restrictions, and if a large number of important countries are prepared to agree to proceed along those lines, we are willing no longer to adopt the original position which this country has always adopted, but would be prepared to agree to an alteration of commercial treaties which would facilitate such arrangements. Political events which are now proceeding in the world have their origin very largely, if not mainly, in economic movements. It is the distress caused by the collapse of world markets, the reduction of world trade by two-thirds in three years, and the consequent unemployment, that gives rise to so much political unrest, and the working class will not endure these conditions indefinitely in silence. It is essential that we should act, and act quickly, on these matters, or we shall find in various parts of the world growing disturbance and growing political danger. We are obsessed and overmastered by these economic facts. As Emerson wrote in a very striking and famous phrase:

> "Things are in the saddle, and ride mankind."

It is our business to restore human affairs to the control of human intelligence. The World Economic Conference gives an opportunity for that. I trust that our Government and other Governments will have the wisdom to seize it.

6.57 p.m.

Mr. CLARRY: I wish to take up only two points which have arisen during the Debate. I should like, in the first place, to reinforce and supplement the observations which were made by my hon. and gallant Friend the Member for Bournemouth (Sir H. Croft) when he was referring to the effect of tariffs on the steel industry of South Wales. According to the official weekly out-turn figures, in October last—when the last portion of the stocks which had accumulated by dumping steel bars in this country was still in evidence—their output was 17,000 tons per week. That has been gradually going up until in January the output in South Wales was 24,000 tons per week; and the figures ascertained during the last few days for the weekly output in February amounted to 25,000 tons per week. That is an increase as compared with October of approximately 40 per cent., which is regarded as very satisfactory, and which is definitely put down, irrespective of politics, to the effect of the tariff arrangements which have been made.

My second point is this: I understood that the basis of this discussion was the question of the sweeping away of tariff barriers throughout the world. That seems to me to presuppose that the whole world is living on an equal standard, and that people require the same amount of money to keep themselves in all countries. We know that that is not the case —that there is not an equal standard of living in Europe or through out the world. therefore, if we in this country are to maintain the standard of living which we have set up for ourselves, and which is one of the highest in the world, it is essential that we should have some weapon with which to protect ourselves and to protect that standard of living. It seems to me that, in the arguments that may come before the World Economic Conference, whether dealing with currency, trade agreements or any point or problem whatsoever, the answer will always turn on this, that, if we can get together at the earliest possible moment a strong, dominant and irresistible Empire, we shall have the greatest possible safeguard both for trade revival and for world peace.

6.59 p.m.

Lieut.-Colonel KERR: I am going to try to keep as far as possible to the idea which I believe the hon. Member who moved this Motion had in his mind, namely, that we should try to give some indication to the Government as to what we hope they will do when they go to the World Economic Conference. There is one point about which I am extremely nervous. That is the question which seems to be universal, not only here, but all over the world, of artificially, or at any rate by some means, raising prices. To me it does not really very much matter whether prices are raised or not. That is not really the point. We should, somehow or other, increase consumption. If that were accomplished, prices would rise in a perfectly natural and healthy way. It seems to me that the whole object of this World Conference should be to make the consumption and production of the world balance. That is the great point upon which we want to concentrate. If we in any way attempt to raise prices by jugglery in any shape, or in any artificial way, the result will be perfectly disastrous, and we shall suffer worse than we are doing to-day. We have got to face a completely new world. It is no use looking back on the past. Past conditions are gone, in my view, for all time. There was a time, to which I, and many Members of the House who are not so old, can look back, when the worry of everybody was to get enough to go round.

We have a totally different position to-day, and I think it requires totally different methods to deal with it. We have, I believe, got to make up our minds that some of the things which were thought madness from an economic point of view a few years ago, are now perfectly sane economics. We have got to take risks about that, and unless we do take risks I cannot see how we are to get out of the difficulties in which we are. The buying power of the people must be maintained and, if possible, increased. Our power to sell our exports against imports must be maintained. If these two conditions are not safeguarded, low price countries will defeat us and also, in the end, ruin themselves. There is one situation in this country which I have heard described as serious, but which I think is one of great strength, that is, that we are the great consuming market of the world. Because we are that, I believe we are in a position of great strength.

We know quite well that other countries are dependent for their prosperity upon our markets. We ought to bear that in mind very carefully in discussing this matter. I was very worried by the description of the difficulties the Minister put before us this afternoon—difficulties which he had in dealing with world affairs. It does appear that the whole world has got into a condition so complicated, and so difficult, that it seems to me a problem almost impossible to unravel. I would, therefore, ask the Minister, and the Government, to try to visualise this new world; to try to forget altogether the past, and things successful in the past, and see whether we cannot scrap a great deal of what is at present looked upon as fundamental in dealing with world affairs.

I propose very shortly to put forward two very simple suggestions. We have heard a great deal about tariffs this afternoon, and the simple proposition I wish to place before the House has relation to the one anxiety of us all—the methods by which we can put a restriction on our imports without ultimately damaging our export trade. I have studied this question with many experts and many economists, and have found no one put up any argument which shakes my belief in the proposal. It is simply that we should decide to put on a tariff of 25, or 30, or 50 per cent. I do not mind what figure it is, but I will take it as being a 30 per cent. tariff on all imports into this country. But if any country, individual, company, or corporation, anywhere outside these shores, buys anything from this country he, or they, shall have the right to import into this country an equivalent value of goods free of all duties. By that process there should be a tendency to balance our trade. The process would also have the effect of helping to lower our export prices in the markets of the world. That system, if adopted would not interfere with Ottawa, for, if we wished, we could have our Preferences within that system.

Anyone, whether he is a Frenchman, Italian, or anyone else, who is going to import goods into this country would, if he did not make an equivalent purchase, have to pay the whole duty. There would be a market in these credits. Of course they would never be the value of the duty, but would vary according to demand. It seems to me that this system would encourage our exports and balance our trade. If we adopted such a system, and other countries adopted it, there would be no limit to the business which would go on internationally in the world. We would get back, as far as we could, to the old idea of barter and interchange of goods throughout the world. That is the proposition, and I do hope the House will give its consideration to that simple idea. It would get rid of the terribly complicated business to which the Minister referred this afternoon.

My second proposition is one which I almost thought the Minister was himself going to suggest when he mentioned China and Japan. There are many people to-day in favour of doing something about the currency of these countries. There is certainly, I believe, 50 per cent. of the population of the world living under a depreciated silver currency. By some stabilisation of silver, in ratio to gold, we have immediately a means of increasing our customers to a most enormous extent. These are two ideas, which I commend to the Government for consideration when they go to the World Conference. It will simplify everything if they can be brought about, and, if once instituted, they will be readily adopted by everyone. I would like to impress upon the Government that the past is gone, and I do not believe the experiences we have had in the past are any good in the present complicated world conditions. The Government, I hope, will take the risk, and try something completely new in the direction I have indicated.

7.11 p.m.

Sir JOHN SANDEMAN ALLEN: We have had an interesting Debate, and it has travelled over a large number of subjects. I would like, for a few moments, to go back to the starting point of the Motion, namely, what should be done with regard to the World Economic Conference. I listened with interest to the suggestions made by my hon. and gallant Friend the Member for Montrose (Lieut.-Colonel Kerr). He brought forward two suggestions, regarding one of which he

[Sir J. Sandeman Allen.]
said he had consulted many experts and that none had found any flaw in it. As to the other one, I could make a present to him of a dozen experts who would find flaws in it at once. These matters should, however, be fully considered in connection with the World Conference. But to go back to the general discussion, there has been a tendency to treat this matter too much as if it were a question of Free Trade and Protection. There are a great many other questions, and a great many other barriers, which have to be considered.

Some people argue that it is the Gold Standard which has caused all our trouble. Others say that trade barriers are the cause of our trouble. As to the Gold Standard, the bulk of our business people are thankful to know our Government take the line that before this question is considered we must have the other difficulties, which make it impossible to work the ordinary trade and finance of the country in a normal manner, out of the way. We had an interesting suggestion also from the hon. Member for South Croydon (Mr. H. Williams), but I think that if we look at the present position of affairs we shall find that one of the great troubles is the enormous amount of indebtedness, and the incapacity to meet that indebtedness. That is a matter which the World Conference will have to consider. That Conference will have to consider how far it can bring creditors and debtors more closely together. If a creditor country is to be sure of getting its money, it must take care that it can receive the payment in goods or services. It has got to take care it does not shut out that means of payment. That has been the trouble in a great many quarters.

I do not agree with the right hon. Gentleman the Member for Darwen (Sir H. Samuel) that you cannot protect and bargain at the same time. I think it all depends on how you work. I submit that the two legs can be stood upon, if it is done wisely. There are certain limits which must be insisted on to prevent the swamping of the country in an improper manner, and the rest can be used for bargaining. It is not a question of Free Trade or Protection. It is a business transaction. I cannot help feeling that we must get closer together in all these questions. It is a primary point that creditor nations should get in touch with debtors, because sanctity of contract is a very vital matter. I feel that all these points have to be dealt with in connection with the conference.

There is another matter which has not been referred to, though I cannot help feeling that the hon. Member for Birkenhead (Mr. White) had it in his mind. I think that he has in mind, as I and many others have, the serious impediment to the shipping of the country caused by the subsidies that other countries are giving. The United States shut out our goods by an impossibly high tariff and kill our services by a subsidised mercantile fleet, which costs more in subsidies than it earns in freights. We ought to stop that system, and I hope the Government will go to the conference determined to tackle this very vital and serious point. I want to refer to another point which has been mentioned in another way in the Motion. We cannot hope to break down tariffs and to get a low tariff movement in a moment. We have put our tariffs on in order to bring tariffs down ultimately. We shall never get every nation to agree at once to make these alterations, but surely we can in the meantime find quite a number who are prepared to work with us on reasonable grounds. If you cannot get it by universal agreement, you can by bi-lateral and multi-lateral agreements secure a good deal in the direction that we all want, and, if so, why not come to terms with those who are sensible; in other words, with people who are not going in for excessively high tariffs?

Many of us were pleased to hear what the President of the Board of Trade said about the most-favoured-nation clause. We want to make reasonable arrangements with different countries, and we must make it a condition that, if they do not give us reciprocity, we must put them in a different category from those who do. In other words, we have to divide the nations of the world into those who are friends and those who are not, those who are willing to lead a family life together on the principle of give and take, and those who are not. All these points have to be considered very carefully. I am confident, in spite of the suggestion that the Government have no scheme and no ideas, that the Government have already formed very definite ideas and will continue to do so and, while they may not agree with extreme Free Trade views on the one side or extreme Protectionist views on the other, they will be in harmony with the general views of business men, who are quite satisfied that the Government have done an enormous amount by balancing our trade and establishing our credit.

After all, it is confidence that counts for so much and, when we look back two years, we know the confidence that the country has inspired and the credit, which goes hand in hand with confidence, is to-day better than it has been before, and I am sure that at the Conference we shall help to move towards better days. We have to clear away not only high tariffs but exchange restrictions and maritime subsidies. I intensely dislike quotas, and I am very much inclined to agree with what has been said on the point, but there may be reasons and excuses for that, as for many things that are done, particularly if they are only little ones. At the same time, there are all these difficulties in the way which we must set ourselves gradually to clear up. Let us deal with the whole question as a big commercial nation out not for theories but for practical results. We want trade improved in this country and in the world. We cannot improve our own trade if we do not improve the trade of the world. While we cannot accept the Motion, I am sure the discussion has been of great value.

7.22 p.m.

Mr. JAMES REID: I think it has been assumed rather widely, particularly by those who sit below me, that the most important, indeed the only important, thing that the World Economic Conference has to deal with is the reduction of tariffs. It appears to me that tariffs are only one and not the most important element that the Conference has to deal with. It has been suggested that it is not possible at the same time to protect your own market and to bargain successfully with the foreigner, but, surely, the matter is very simple. Let us take, for instance, the case of agriculture. I have not the exact figures in my head, but let us assume that the utmost proportion of our foodstuffs that the British producer can produce is 50 per cent. You protected the British producer, that is, you insist that 50 per cent. shall be grown in this country, and you still have the other 50 per cent. to bargain with. It is the simplest thing in the world to protect your own producer, who cannot fill the whole demand, and go to your various suppliers and say: "You may have a half, or a third, or two-thirds, of the foreign quota on condition that you give this, that or the other." I can see no inconsistency whatever between the fullest protection of our own market and the fullest use of our bargaining power in respect of the other 50 per cent.

Sir H. SAMUEL: What would the Dominions say?

Mr. REID: I was including the Dominions in the figure of 50 per cent. I do not think the home market can produce 50 per cent. of our foodstuffs. We have a very large surplus percentage to bargain with after having satisfied the immediate possibility of production in this country and the Dominions.

May I make one suggestion about the Economic Conference? It seems to me that, since the War, we have failed time and time again at these conferences because we have tried to do too much. We failed to a large extent in the Peace Conferences, in setting up the League of Nations and in the conferences that have followed because we have tried to abolish war altogether. We have set up something which is going beyond what the nations of the world will support. It was no use starting "No More War" and setting up a League of Nations which was going further than the then state of public opinion would warrant. Do not let us have an economic League of Nations. Do not let us try to work out the World Economic Conference within the limits of the present system. Let us rather try to make the present system work than to invent some new system on the spur of the moment. It is by no means impossible within the sphere of economic nationalism to make things work and, if you go to the World Economic Conference thinking you are going to abolish economic nationalism and substitute an internationalism which only hon. Members opposite can see, even on the furthest horizon, I think you are giving away all the chance that you have of securing very substantial results.

The problem is set forth in the agenda plainly for everyone to read. It is: How

[Mr. Reid.]

are we going to get the mechanism of distribution working again? It is true that the main obstacle is the lack of freedom of exchange. There are two ways of tackling that question. The simplest way is to consider how it grew up. These restrictions have grown up in the last few years because prices fell away to such an extent that countries could not afford to go on without imposing restrictions. Surely, rather than try to break the ice with a sledge hammer, it would be very much better to direct your policy so as to get such a rise in prices as will render the restrictions unnecessary. The restrictions were caused by falling prices. As soon as you get rising prices, countries will be able to take off the restrictions which they were forced to put on by falling prices. I agree with those who put in the forefront of what they think should be the main objective of the Conference financial and currency problems rather than problems purely of tariffs and restrictions of that kind. I believe the currency and financial problem is the more fundamental. If you tackle that satisfactorily, the other problem will to a very great extent solve itself.

Mr. ENTWISTLE *rose*——

Mr. WHITE *rose in his place, and claimed to move* "That the Question be now put," *but* Mr. SPEAKER *withheld his assent, and declined then to put that Question.*

7.29 p.m.

Mr. ENTWISTLE: The Motion emphasises one aspect of what will come before the World Economic Conference.

Mr. WHITE *rose in his place, and claimed to move* "That the Question be now put."

Question, "That the Question be now put," put, and agreed to.

Question put accordingly, "That the words proposed to be left out stand part of the Question."

The House divided: Ayes, 58; Noes, 203.

Division No. 83.] AYES. [7.30 p.m.

Acland, Rt. Hon. Sir Francis Dyke
Attlee, Clement Richard
Banfield, John William
Bernays, Robert
Bevan, Aneurin (Ebbw Vale)
Brown, C. W. E. (Notts., Mansfield)
Buchanan, George
Cape, Thomas
Cocks, Frederick Seymour
Cove, William G.
Cripps, Sir Stafford
Daggar, George
Davies, David L. (Pontypridd)
Dobbie, William
Edwards, Charles
Evans, Capt. Ernest (Welsh Univ.)
Evans, R. T. (Carmarthen)
Foot, Dingle (Dundee)
George, Major G. Lloyd (Pembroke)
Greenwood, Rt. Hon. Arthur
Grenfell, David Rees (Glamorgan)
Griffith, F. Kingsley (Middlesbro',W.)
Groves, Thomas E.
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Hamilton, Sir R. W.(Orkney & Zetl'nd)
Harris, Sir Percy
Hirst, George Henry
Holdsworth, Herbert
Janner, Barnett
John, William
Johnstone, Harcourt (S. Shields)
Jones, Henry Haydn (Merioneth)
Jones, Morgan (Caerphilly)
Lansbury, Rt. Hon. George
Llewellyn-Jones, Frederick
Logan, David Gilbert
Lunn, William
Macdonald, Gordon (Ince)
McEntee, Valentine L.
McGovern, John
Maclay, Hon. Joseph Paton
Mallalieu, Edward Lancelot
Mander, Geoffrey le M.
Mason, David M. (Edinburgh, E.)
Maxton, James
Molson, A. Hugh Elsdale
Parkinson, John Allen
Rathbone, Eleanor
Samuel, Rt. Hon. Sir H. (Darwen)
Thorne, William James
Tinker, John Joseph
Wedgwood, Rt. Hon. Josiah
White, Henry Graham
Williams, David (Swansea, East)
Williams, Edward John (Ogmore)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE AYES.—
Mr. Walter Rea and Sir Murdoch McKenzie Wood.

NOES.

Acland-Troyte, Lieut.-Colonel
Agnew, Lieut.-Com. P. G.
Albery, Irving James
Allen, Sir J. Sandeman (Liverp'l, W.)
Aske, Sir Robert William
Atkinson, Cyril
Baillie, Sir Adrian W. M.
Barclay-Harvey, C. M.
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Blindell, James
Borodale, Viscount
Boulton, W. W.
Bower, Lieut.-Com. Robert Tatton
Bowyer, Capt. Sir George E. W.
Briscoe, Capt. Richard George
Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Col. D. C. (N'th'l'd, Hexham)
Brown, Brig.-Gen. H.C.(Berks., Newb'y)
Buchan-Hepburn, P. G. T.
Burnett, John George
Campbell, Edward Taswell (Bromley)
Campbell, Vice-Admiral G. (Burnley)
Campbell-Johnston, Malcolm
Caporn, Arthur Cecil
Carver, Major William H.
Cazalet, Thelma (Islington, E.)
Churchill, Rt. Hon. Winston Spencer
Cochrane, Commander Hon. A. D.
Colfox, Major William Philip
Colville, Lieut.-Colonel J.
Cook, Thomas A.
Cooke, Douglas
Cooper, A. Duff
Copeland, Ida
Craddock, Sir Reginald Henry
Craven-Ellis, William
Crookshank, Col. C. de Windt (Bootle)
Croom-Johnson, R. P.
Cross, R. H.
Crossley, A. C.
Cruddas, Lieut.-Colonel Bernard
Davies, Maj. Geo. F.(Somerset,Yeovil)
Denman, Hon. R. D.
Dickie, John P.
Donner, P. W.
Doran, Edward
Duggan, Hubert John
Duncan, James A. L. (Kensington, N.)
Eady, George H.
Eastwood, John Francis
Edmondson, Major A. J.
Ellis, Sir R. Geoffrey
Elmley, Viscount
Emrys-Evans, P. V.
Entwistle, Cyril Fullard
Erskine, Lord (Weston-super-Mare)

Essenhigh, Reginald Clare
Evans, Capt. Arthur (Cardiff, S.)
Everard, W. Lindsay
Ford, Sir Patrick J.
Ganzoni, Sir John
Gault, Lieut.-Col. A. Hamilton
Glossop, C. W. H.
Goldie, Noel B.
Goodman, Colonel Albert W
Gower, Sir Robert
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Grattan-Doyle, Sir Nicholas
Greene, William P. C.
Gretton, Colonel Rt. Hon. John
Grimston, R. V.
Guinness, Thomas L. E. B.
Guy, J. C. Morrison
Hacking, Rt. Hon. Douglas H.
Hales, Harold K.
Hanley, Dennis A.
Harbord, Arthur
Hartland, George A.
Harvey, Major S. E. (Devon, Totnes)
Heilgers, Captain F. F. A.
Hepworth, Joseph
Herbert, Capt. S. (Abbey Division)
Hore-Belisha, Leslie
Hornby, Frank
Horobin, Ian M.
Horsbrugh, Florence
Howard, Tom Forrest
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M. (Hackney, N.)
Hurst, Sir Gerald B.
Jennings, Roland
Joel, Dudley J. Barnato
Ker, J. Campbell
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Kimball, Lawrence
Lamb, Sir Joseph Quinton
Lambert, Rt. Hon. George
Law, Sir Alfred
Lees-Jones, John
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Liddall, Walter S.
Llewellin, Major John J.
Locker-Lampson, Rt. Hn. G. (Wd. Gr'n)
Lockwood, Capt. J. H. (Shipley)
Lovat-Fraser, James Alexander
McCorquodale, M. S.
McKie, John Hamilton
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Macmillan, Maurice Harold
Manningham-Buller, Lt.-Col. Sir M.
Margesson, Capt. Rt. Hon. H. D. R.
Marsden, Commander Arthur
Martin, Thomas B.
Mayhew, Lieut.-Colonel John
Meller, Richard James
Merriman, Sir F. Boyd
Moreing, Adrian C.
Morgan, Robert H.
Morris, Owen Temple (Cardiff, E.)
Morrison, William Shepherd
Munro, Patrick
Nation, Brigadier-General J. J. H.
Nicholson, Godfrey (Morpeth)
Normand, Wilfrid Guild
Nunn, William
O'Connor, Terence James
O'Donovan, Dr. William James
Ormsby-Gore, Rt. Hon. William G. A.
Pearson, William G.
Penny, Sir George
Perkins, Walter R. D.
Peters, Dr. Sidney John
Petherick, M.
Peto, Geoffrey K. (W'verh'pt'n, Bilston)
Potter, John
Raikes, Henry V. A. M.
Ramsay, Capt. A. H. M. (Midlothian)
Ramsay, T. B. W. (Western Isles)
Ramsden, Sir Eugene
Ray, Sir William
Reed, Arthur C. (Exeter)
Reid, David D. (County Down)
Reid, James S. C. (Stirling)
Remer, John R.
Rentoul, Sir Gervais S.
Rhys, Hon. Charles Arthur U.
Roberts, Sir Samuel (Ecclesall)
Ropner, Colonel L.
Ross Taylor, Walter (Woodbridge)
Runge, Norah Cecil
Russell, Alexander West (Tynemouth)
Russell, Richard John (Eddisbury)
Rutherford, John (Edmonton)
Rutherford, Sir John Hugo (Liverp'l)
Salmon, Sir Isidore
Samuel, Sir Arthur Michael (F'nham)
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Savery, Samuel Servington
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Shute, Colonel J. J.
Skelton, Archibald Noel
Smiles, Lieut.-Col. Sir Walter D.
Smith, Sir Jonah W. (Barrow-in-F.)
Smith, Louis W. (Sheffield, Hallam)
Smith-Carington, Neville W.
Somerville, Annesley A (Windsor)
Sotheron-Estcourt, Captain T. E.
Southby, Commander Archibald R. J.
Spears, Brigadier-General Edward L.
Spender-Clay, Rt. Hon. Herbert H.
Stanley, Lord (Lancaster, Fylde)
Stanley, Hon. O. F. G. (Westmorland)
Stewart, J. H. (Fife, E.)
Stones, James
Storey, Samuel
Strauss, Edward A.
Strickland, Captain W. F.
Summersby, Charles H.
Thomas, James P. L. (Hereford)
Thompson, Luke
Thomson, Sir Frederick Charles
Thorp, Linton Theodore
Vaughan-Morgan, Sir Kenyon
Wallace, Captain D. E. (Hornsey)
Ward, Lt.-Col. Sir A. L. (Hull)
Ward, Irene Mary Bewick (Wallsend)
Ward, Sarah Adelaide (Cannock)
Wardlaw-Milne, Sir John S.
Warrender, Sir Victor A. G.
Wells, Sydney Richard
Whiteside, Borras Noel H.
Whyte, Jardine Bell
Williams, Charles (Devon, Torquay)
Wilson, Clyde T. (West Toxteth)
Windsor-Clive, Lieut.-Colonel George
Wise, Alfred R.
Womersley, Walter James

TELLERS FOR THE NOES.—Sir Henry Croft and Mr. Clarry.

Question proposed, "That those words be there added."

Mr. MANDER *rose*——

It being after half-past Seven of the Clock, the Debate stood adjourned.

RURAL INDUSTRIES.

7.40 p.m.

Brigadier-General CLIFTON BROWN: I beg to move,

"That this House is of opinion that the encouragement of rural industries and the maintenance of a thriving and contented village life, together with a prosperous agriculture, are vital to this country, and urges His Majesty's Government to take every possible step in this direction."

When I put down this Motion, I inadvertently gave notice that I would call attention to the plight of rural industries. I meant really to call attention to the condition of rural industries. I do not want it to be thought that rural industries are grumbling at a condition of affairs which is not being shared by many other industries at the present time. When I moved a similar Motion in March about six years ago, I went a good deal into the historical details of rural industries in Tudor times and into other matters, and I was twitted by an hon. Member opposite as having begun my speech with William the Conqueror and finished it with the Minister of Agriculture. I do not propose to go into historical details to-night, nor do I wish to alarm my right hon. Friend by saying that all the ills from which the countryside suffers have anything to do with him. It has to do far more with past generations in this country. We must realise even in the country that as things change so also does the countryside. The old industries which used to be essential are no longer essential.

Thousands of acres of the best agricultural land are built upon yearly. I was interested in a cutting which I saw

[Brigadier-General Brown.]

in the "Times" of yesterday, which stated that agriculture in Surrey had lost 3,000 acres in 10 years owing to land being built upon. I often think that the loss of agricultural land for which agriculture has often been blamed has been more due to the spreading of the towns into rural England that is realised. We have to face the fact that the big towns are spreading and that rural England is becoming urbanised. We must also realise that many of the rural industries which were necessary for our fathers and our forefathers are no longer necessary. As far as village life and life in the far off rural areas are concerned, the cinema, wireless and motors have very much altered the outlook of our village folk.

When people coming to this country from Eastern countries, India, or from European countries approach the cliffs of Dover, or go up the Bristol Channel, to Avonmouth, or wherever they hit rural England, they feel that there is a different land before them than that from which they have come. The fields are greener, and they are smaller. If you happen to go to Kent a little later than this in the year you will see the most wonderful garden in the whole of the world. I think that Kent has been well described as "England's garden." England is very different from other countries, and our countryside is a very great asset, which we should do all we can to preserve. When you come to talk to the villagers in our villages, they may be more reserved than the foreigner, but they have a sense of justice and fair play that strikes you almost at once as different from what you meet in a foreign land. They are bred up with fewer comforts, but they are healthier from their harsher circumstances. They learn from nature, by which they are surrounded, to understand nature—human nature—and they learn more patiently and truly to distinguish what is false and what is true. How to maintain, under modern condition, what Shakespeare so well describes as

> "This happy breed of men, this little world,
> This precious stone sat in the silver sea"

is really the question underlying my Motion this evening. There are, of course, many rural industries which we cannot help to resuscitate or revive. Most of the rural industries depend on one thing, and that is a prosperous agriculture. If we get a prosperous agriculture in the country, many of those industries will revive. On the other hand, there are industries not dependent on agriculture which still ought to be kept in every kind of way from underselling by the foreigner, industries which give much employment. As far as agriculture is concerned, I gratefully recognise the effort which the present Government have made in very difficult circumstances to give real help to that industry. I have been a Member of this House for 10 years, and can honestly say that I have never been under a Government that has really tried to help industry as the present Government is doing at the moment. It has nothing to stop it, because it is looking from a business point of view, without any Protection, Free Trade, Socialism, nationalisation or any other point of view, at the problem before it.

I do not agree with many of the things that the Government put forward, but no honest person can deny that it not only has the chance but has the will, and is making an effort to make agriculture, the most important industry in our countryside, really prosperous once again. If it succeeds—and I think that every man and woman ought to help in this object—it will be the only thing that will stop the drift of our young people to the towns from the countryside where they ought to be. It will be the only thing that will encourage investors to put capital back into our agricultural land instead of investing it in businesses, perhaps overseas and in a foreign land. I should like to say with much pleasure to my right hon. Friend, who I am glad to see here to-night, that there is only one test of all the Government legislation; whether it gets a fair price for the producer. Then it will pay; otherwise, it is not worth the trouble of doing anything. The people of England must understand that if they want a prosperous agriculture and a prosperous countryside, they must pay a fair price to the producer for the goods in the countryside, in the same way as the dweller in the countryside must pay a fair price for the goods he buys for his work.

I should like to put forward one fact about the countryside. We are luckily now able to evolve schemes for properly planning the town and countryside of England. Nothing is more important, as you realise when you see the shocking spread of industrial towns into the countryside, than to get committees formed all over England, on a big scale and composed of the right people, to decide which is to be country and which is to be town. The Town and Country Planning Act, 1932, which will come into force on the 1st April, will I hope be used wisely and well. Under that Act there is at all events some chance of dealing with those who come from the towns and desecrate the countryside, coming down in their motors and opening gates, breaking glass bottles and leaving them about where they can cut the feet of the cattle; setting woods on fire, as sometimes they do. There will be some chance of stopping that conduct and forcing those people to behave in a proper way. Many persons talk about the countryside being abused. We welcome all people who want a quiet day in the country, but we want to feel sure that they are not abusing our hospitality or desecrating the beautiful scenery which we have spent many years in producing, and that they will behave properly, as they do in the streets of London.

Some industries could be revived without other help at once, if agriculture is made more prosperous. If we get agriculture prosperous, we shall be building farm buildings, and owners, as every agricultural owner has done in the past and will do in the future, will provide cottages for those who work on the farms. That will be, without any doubt, an alleviation of the rural housing problem. There are local brickmaking works in many parts of England—in Southern England there are thousands of them. If agriculture is prosperous, there will be a bigger demand for bricks, land drainage pipes, and tiles for cottages. You will encourage the industry and get more employment for it. It does not want other help; it is doing fairly well now, but it would be enabled to employ more men and to have a more prosperous time. Thatchers, again, are a skilled race of agricultural labourers—there is no race more skilled. They are getting scarce. There are various reasons for this. Mechanisation plays its part in the unemployment of skilled workers on the countryside. Another reason is that Dutch barns are going up with iron roofs that require no thatch, whereas a thatcher was required before. On the other hand, if agriculture is prosperous, there will be more demand for thatching in the fields, and the demand for skilled thatchers, who are so important, will be kept up, and they will be as skilled as they have been in the past.

There is one very sad side, from a picturesque point of view, in the disappearance of one part of England—the old mills that used to grind the corn. They are either derelict or have disappeared, and there are very few left. I doubt whether under modern conditions they are worth being resuscitated, even with a prosperous agriculture. But an old workman told me that in his father's time, when the workmen wanted some more flour to bake bread, they went to the governor and asked him to send wheat over to the mills to be ground. He sent it over at once; the price was paid, and they had flour for their old ovens in the cottages—which, unfortunately, they do not have now—and it was very much to the advantage of the farmer, who got cheap offal from the grain for his stock. I was sorry that flour was not forbidden to come into this country as well as the whole wheat; I believe that such a step might have given some encouragement to the country mills, which are not only a picturesque ornament to the country and add to its beauty, but are a useful and cheap means of giving the farmer flour and offal with which to feed his stock.

Those are some of the industries that depend on successful agriculture and which will come right with the prosperity of agriculture. It is essential that some other things be kept up in the countryside, and one of these is to give the children in schools a rural bias in education. In a quiet way, in many schools in many counties, gardens are provided for these children and a competition is held at the end of the year by the squire or the farmer. Tours are arranged for the children round the farms to show them the cows being milked and other kinds of work. Education in one form or another can be given without any expense to children who are going to be the skilled agricultural workers of the future, to give them some keenness in agriculture, so that at 15 and 16, when they would otherwise want to go off to the

[Brigadier-General Brown.]

town, they will desire to stick to the country where they were brought up.

No one has helped the countryside more in education, not only among children but among workers, than the Rural Community Councils formed under the Rural Industries Bureau. They get a grant from the Development Fund of only £6,300, but I am very glad that they have something. Of this they give to the Rural Community Councils some £5,400, and very good use is being made of this money with the help of private subscriptions. The Bureau does its best to send people down to teach craftsmen, such as blacksmiths, wheelwrights and saddlers, in the villages; they are given instruction, and these little men who have that knowledge in a village can nearly always get a living and are a very useful asset to the farmer. The average county, I understand, has 100 smiths, wheelwrights and saddlers. The Bureau also says that if estate and farm repairs were carried out as in pre-War days, all these men would be busy. Harrows, drags, horse hoes, and cultivators, specially designed to suit local conditions, are still manufactured by blacksmiths, especially in the Eastern counties.

There are many other activities, especially in Scotland and elsewhere, and although I do not plead for further funds, especially at a time like this, I hope that the Government will give all the encouragement it can. The local Community Council in my own county of West Sussex has been formed for the last 10 years. Among other things, it undertook to ascertain through its constituent bodies, if the rural districts wanted public libraries. Owing to the action it took, we now have libraries in the villages. They also carried out inquiries in the local villages on what craftsmen were at work, and made great efforts to popularise many forms of industries, by giving lectures and holding exhibitions. With the help of the Women's Institutes of that county they have spread education among those who desire to have it and among those whom it may benefit. They have taught lobster-pot making, they have set up experimental plots for growing willows, and have started underwood work. But I think that their best effort in my county of Sussex—though I am not Member for Sussex, I live there—has been to start the young farmers' clubs, which are so well known in most counties, where all young agriculturists can receive good training in the work on which they are likely to be employed in their later years.

I was told that there was very little to talk on in this Motion, but I have so much down that I must hurry on. I do not think that I can pass over this subject without paying a real tribute to the Women's Institutes, which deserve all the encouragement that they can possibly get. By working in with the educational policy of the Rural Community Councils, they have done almost more to spread education than any other body that I know. There are two interests for which I want to put in a plea with the Minister. I am afraid that it is not exactly a matter for the Minister of Agriculture. It may be more to do with the Board of Trade. There are industries independent of agriculture, which employ a good many people in one way or another and which ought to be encouraged in this country. I am referring to forestry and to the underwood industry, which in many counties are going on very hard at the present time. It is an industry which gives employment to many hands in the winter time, when work on the farm is rather slack. In the old days the agricultural labourers were employed in the forests of the neighbouring estates, but owing to the poor prices ruling for timber very little work has been done either in planting or cutting. Indeed, the forests of England are getting seriously denuded, and it is a matter which should receive most serious attention for the future.

I went as a representative of the Central Landowners' Association, who produce a great deal of this timber in this country, before the Imports Advisory Committee. We went with the timber merchants in order to support their plea for a higher duty on hard wood, which we can grow in this country in sufficient supplies. I asked a question last June as to what had been done, and it has not been answered yet. I am told that the reason for this is that the Board of Trade are bargaining with other countries over other materials. If that is the case they are doing so to the detriment of the forestry industry in this country, and it is time that they made up their minds as to whether they are going to treat this particular industry fairly or whether they propose to use it in bargaining as against some other industry. That does not help the countryside at all.

Forestry employs a great many hands in its various ramifications. We can produce the timber in this country. We have been told that before anything can be done by the Government the industry must organise itself. I want to tell the Minister of Agriculture that the Central Landowners Association, the producers of this timber, or a large part of it, are getting on with a scheme for the reorganisation of the production and selling of timber. We have been assisted by the Forestry Commissioners, who are the largest producers of this timber in this country. We are doing our best to get a proper organisation of the timber producers, and we want to get the timber merchants in as well. When we have this organisation and go again with our application to the Imports Advisory Committee we do expect to get better treatment than we had before. We do not expect to be used as a pawn in bargaining with some other industry. If something is done in this direction it will make a great deal of difference in the number of men employed. Up to this year it employed all the spare hands in many villages, but for the first time there is no demand this year for underwood at all, entirely owing to foreign competition. It is found that the people who use this kind of wood are able to buy their supplies from outside this country at so cheap a price that the producers in this country cannot compete with it. This is a rural industry which should get fair play; it should not be treated as a pawn.

Another industry which the Rural Community Council has done much to help and assist is the osier growing industry. Why has that gone out? Osiers make baskets. In their report they say:

> "The recovery of the underwood industry depends on the recovery of general trade. Besoms are used largely by docks and wharves and also by the steel trade, though the demand for this has completely ceased for the present."

There are figures to show that this industry is hard hit by unfair foreign competition. The osier growing and basket making industries provide work for a considerable number of men, including many blind persons. The home trade has shown a marked downward tendency in recent years. In 1926 it was down by 5.49 per cent. as compared with 1925, in 1927 by 7.87 per cent. as compared with 1925; in 1928 by 27.41 per cent. as compared with 1925; in 1929 by 12.49 per cent. as compared with 1925; in 1930 by 17.69 per cent. as compared with 1925, and the last census figures gave 7,000 basket makers as employed in the industry as compared with 4,500 at present. The number of employers in the industry is about 900. Osier growing in our rural districts gives employment to at least two men per acre, and if my suggestion is carried out employment could be given to agricultural workers in this way and also for part of the year in the forests. For some years the growing of osiers has been diminishing and unemployment has increased by 60 per cent. and 70 per cent. I am only talking of small things but these small things make all the difference in the life of the country. They cannot cost very much even if a little more protection is given them.

I hope the Debate, academic as it be, will do something to encourage sturdy British village folk all over rural England to hold fast to their old traditions of faith and character. It will be a gesture of good will and remind them that even in these times of national crisis, when great industrial problems present themselves for consideration, that their interests are not overlooked in this great assembly of the House of Commons.

8.10 p.m.

Mr. LENNOX-BOYD: I beg to second the Motion.

The House has this afternoon been considering urgent matters of great international importance, and it may be something of an anti-climax when we ask it to consider a matter of this kind, but I venture to suggest that there may come a time when the various concerns with which the House has interested itself this afternoon, deflation, reflation, inflation, sterling, prices and tariffs, and all matters of that kind, may well be merely a part of history, and that any legislative assembly which may survive may still be called upon to decide questions vitally affecting rural and agricultural life. I do not go so far as to say that in the future they will still be flint knapping in Norfolk, as they have been doing from

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neolithic times, or that they will in Barnstaple be making pottery as they have made it for the last 1,500 years, but I think it highly improbable that the inventive genius of man will ever discover a more effective way of sustaining life than by the cultivation of the fields, and as long as that remains true, any question which vitally concerns agriculture must demand the attention of any Parliament in the world.

My hon. and gallant Friend who has proposed the Motion referred to the previous Motion which he himself moved in 1927, and perhaps the House will remember that that Motion was rather rudely interrupted by a count. There are all the indications that some such situation may arise to-night, but I have every intention of being very brief, and especially because the Minister of Agriculture has been courteous enough to be present and proposes to speak in the course of the Debate. When my hon. and gallant Friend proposed his previous Motion he was speaking at a time when during the 16 years previous no fewer than 126,000 agricultural workers had left the countryside for the towns. Since he made that speech a further 17,000 agricultural workers have left rural Britain and gone into the towns, and have gone either upon the dole or superseded other industrial workers, who have themselves gone upon the dole. In the same period in almost every quarter of rural Britain the rural workshops which were flourishing 18 and 20 years ago have been closing down. In a period of five years in Norfolk and in Suffolk nearly 1,000 rural workshops have closed down and over 1,500 men have lost their employment.

When my hon. and gallant Friend proposed his Motion in 1927 it was perfectly true that more people were employed on the land than are employed to-day, but there was a very definite difference between the position which ruled when he made his last speech and the position which rules to-day. To-day agricultural Britain knows with gratitude and certainty that the Government have decided on an agricultural policy and have put it in the hands of a Minister who commands the respect and loyalty of the whole agricultural community. The situation is indeed different to-day. I want briefly to try and explain what I understand is meant by rural industries. I am afraid that there is grave danger that some people may go away with the idea that the Mover and Seconder of this Motion are concerned with some of those trades like raffia working, and arts and crafts which can scarcely form suitable subjects for the deliberation of Parliament. I can assure the House that we have no intention of asking for a subsidy to encourage raffia working, nor do we want a subsidy to bring about what the Prime Minister described as an artistic Utopia, a Medici print in every cottage. We want to draw attention to real rural industries which are ancillary to agriculture, and which have been going through times even graver than the great industry of agriculture to which they themselves cater.

I refer primarily to the rural building trade, the building by small rural craftsmen of houses which are in every way suitable for the district in which they are placed. Secondly, to the old rural past-times, hedging, ditching, thatching, shoeing and blacksmith work, all of which it is vital to retain if we want to keep in our midst live craftsmen living upon the land. It should not be necessary in times of agricultural enlightenment to stress the advantages of rural trades. They are vital to agriculture, and if you once allow people who can perform them successfully to die out, and no successors to be reared, you will find at a time of agricultural expansion that you lack the people to whom you must turn. To-day anyone who examines the figures will find that we have few young men, in many districts no young men who are taking up such a vital rural trade as thatching. You can survey counties from end to end and count on the fingers of one hand the young men who are being trained to carry on this vital trade. That is not the only advantage, because rural trades have provided in the past for nearly every agricultural householder a highly valuable source of alternative income.

I represent an agricultural district, where, if the same amount of work in one trade was being given to-day as 20 years ago, no less than £12,000 would be paid out every year in wages, in a district no larger than 20 square miles. It is rather a tragic thing that we should, in response to the gospel of cheapness, have allowed this industry—the peeling of onions for pickling—to be superseded by cheaper onions imported from Holland and other countries. Also in the district I represent there were, until a few years ago, no fewer than 7,000 people who brought home every week to their homes a considerable sum of money through the making of Bedford lace. To-day what is a really historic and important English trade is carried on by people who can be numbered in mere hundreds.

It has been suggested by my hon. and gallant Friend that these rural industries would keep enterprising men on the land. I would like to refer to what I consider almost the most valuable thing that such men could do, and that is to produce beautiful and artistic things and gradually to raise the whole public taste. Everyone knows that at the moment mass production is killing enterprise and the power to create the simple and beautiful things that our fathers turned out. If we are ever to overcome the undoubted degrading of the public taste which mass production has brought about, it will be largely because of the demand for the products of the village skilled craftsman, who in time will make his wares popular and thereby affect mass production itself.

It is all very well to catalogue a series of grievances and not to suggest one or two practical steps which the Government could take. Obviously a first step, a step which we in this House can ask of our Government—the Government is responding—is to pursue with vigour a live agricultural policy. It is true that a number of our rural trades, not all and not even all the vital ones, will revive with a general revival in agriculture. If we look at the various important wood trades, rakes, hurdle making and trades of that kind, we find that their depression has coincided very largely with the general agricultural depression. We shall find it very difficult when the better times come, the times for which the Minister is working with such vigour and such chance of success, to find people who will be trained enough to carry on these trades, unless something is done now.

Another thing which we can suggest to the Government is that in their industrial policy they should remember that in a good many rural districts of England the recovery of rural trade will come about through industrial recovery. It is impossible to over-emphasise the collapse in agricultural rural life which has been occasioned by the decline in the purchasing power of the great towns. If only we can revive that purchasing power we will find an enormous fillip given to our rural trades. There are a whole variety of small ways in which a revival in industrial life would bring about a revival in rural industries as well. If, for example, the iron and steel trade and the shipbuilding trade revived there would be an immediate response in the small rural trades which makes heather besoms on the northern moors. If the textile trade were to revive the bobbin mills of Yorkshire and the Lake District would be called upon to satisfy some of the new demands.

A third way in which the Government could help would be to give rural trades that protection against foreign imports which many of them can legitimately ask. There was for many generations a very flourishing rush-plaiting trade carried on in this country. It was carried on for centuries. It had been entirely killed by the cheap imports of Belgian plait. When the War came there were Belgian refugees in England, and a man in the district who had bought his plait from Belgium naturally thought that he might get some of the Belgian plaiters to work here by taking them to Islip, and that so he would be able to purchase cheap plait such as he had bought previously from abroad. But he was met with the reply that not a single man among the refugees could carry on this trade, because it had been invariably performed by convict and reformatory labour in Belgium. So in response to the gospel of cheapness we had allowed a very old and romantic and attractive English rural craft to be faced with extinction.

The Government have faced up to the problem in one vital trade to which my hon. and gallant Friend referred. That is the basket trade. It is not generally recognised that Covent Garden Market requires every year 2,000,000 sieves and half-sieves. It is absurd that market gardeners in agricultural districts which produce the goods should be forced to buy their baskets from foreign countries. There was a duty put on foreign baskets in 1932, and the immediate result of that duty was a reduction by one-half of the imports of foreign baskets. I can speak

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from personal experience and I am sure that though a certain part of that figure is met by a falling off in demand, the greater part is met by increased production among the basket-makers of England.

My hon. and gallant Friend referred to rural bias in education, and I would make a brief comment on that subject. In 1926 the Board of Education issued a pamphlet in which they explained why it was that the secondary education of England was rather taking the form of industrial as opposed to rural education. They said that as secondary education was voluntary it was inevitable that the form of education provided should conform to what the public wanted. They said that the average parent believed that if a child who had had a secondary education went into any occupation other than commerce or clerical work, that child's secondary education was inevitably wasted. I hope that the Government, through the Board of Education, and everyone who has influence, through the normal channels, will do all that is possible to impress upon the people the fact that probably many rural trades to-day are a far better climax to a secondary education than industrial or commercial life. It would be a real service to dispel the illusion that the only man whose education has justified itself is the person who can wear a black coat—and then find, when he looks for work, that there is no job at hand. It is a widespread belief.

Take, for example, the primitive and ancient trade of charcoal burning. There is very little prospect of an increased demand for charcoal, unless the League of Nations embroils us in war with Japan and more gunpowder is required. But our charcoal burners are living in huts which are almost exactly replicas of the hut-circle habitations of our primitive ancestors. But a Government inspector comes round and finds that, though these men have worked for generations in those huts and have taken no harm from the woods, the huts do not conform to some regulation of the Ministry of Health, or that a small boy in the hut is ignorant of some algebraic problem, and the whole force of Parliament is brought to bear, an Act is prepared, the Government Whips are probably put on, a bright new red brick villa is built in the woods, an asphalte path is laid from the villa to the school, and there the child learns of the day when William the Conqueror came to the Throne, but he will be taught to despise a trade which was old at the time of the Conquest. His feet will be planted very firmly on the ladder which will eventually land him outside an Employment Exchange in some nearby town. If we are to put an end to that, we must do our best to revive the old honourable and useful system of apprenticeship. You will never revive rural crafts and give the people a proper sense of what true education is, unless you revive the system of technical apprenticeship which built up the prosperity of Britain and provided, in nearly every case, that career open to talent which it must be the aim of elementary education to give.

No one who speaks on the subject of rural industries ought to leave altogether out of account the progressive and tragic degradation of the face of Britain which has been taking place for the last few generations. Any Government which determines to tackle firmly the problem of rural industries must assume almost autocratic powers. If we had a dictatorship of the fine arts in Britain, as we could quite properly have, a dictatorship which this Government with its gigantic majority could assume, it would be possible, immediately, to insist that no local authority should pass for building the plan of any cottage or house which did not conform as best it could, to the prevailing architecture of the district. It would be possible to insist on the use of local stone and local slates and the employment of local craftsmen and it would be possible, if need be, to waive some of the exaggerated and unnecessary regulations which exist at present.

There was a case a little time ago in which a rural district council of great good sense, required some gutter stays for its houses. Somebody suggested that a local craftsman might produce them almost as cheaply as and certainly better than a firm of manufacturers. They used the locally-made article with the result that the houses which they have built are improved architecturally and from every other point of view. The people who live in cottages of that kind and who go from those cottages to earn their daily bread in that revived agriculture which my right hon. Friend the Minister is doing his best to bring about, will be better citizens and happier men than if they had been put into some Addison monstrosity in some new street. It was well said by an Irishman only a few days ago, speaking of a friend: "He was born a countryman, as I was, but the streets closed in on him—at the end—God pity him." We have an opportunity, by encouraging these rural trades, of keeping on the soil in happy and profitable content a generation of men who, if we do nothing, will inevitably gravitate to the towns. I hope that my right hon. Friend the Minister who has shown great courtesy in being here and who is, I understand, to speak in this Debate, will give some encouragement to those who believe that a rural bias in education is almost the outstanding educational need of the day.

8.30 p.m.

Mr. LLEWELLYN-JONES: I should like to congratulate my hon. and gallant Friend the Member for Newbury (Brigadier-General Brown) upon introducing this Motion. My only regret is that more hon. Members were not in the House to hear the very lucid way in which he presented it. I am disposed to think that that, to a certain extent, may be an indication of the attitude which is too often taken by those who live in towns or industrial areas towards the requirements of the country districts. But if the rural population of this country continues to drop and drop as it has been doing nothing but disaster lies ahead of this country and it is well that Parliament should address itself to what is one of the most important and urgent problems connected with our national life.

This Motion is complementary to the Bill which received a Second Reading a fortnight ago dealing with home and Empire settlement. In the Debate on that Bill a good deal of attention was paid to the problem of home settlement and there can be no doubt that there is increasing anxiety in various circles as to the situation in our rural areas to-day. The problem to-day is not merely one of stopping the drift from country to town but also one of endeavouring to bring back to the country as many as possible of those who have gravitated during the last generation to the towns. This problem is closely associated with the problem of unemployment. I believe that, with a definite, progressive, forward policy in connection with the rural areas, much might be done to assist in dealing with unemployment.

The depopulation of the rural areas is not merely a quantitative problem. It is a qualitative problem also. Anyone who has been brought up in a rural area or a country village and whose recollection goes back 30, 40 or 50 years, must realise the great change that has taken place in that time. When I first read this Motion a few days ago I was at home. I took one of my usual walks in the country and went into the parish where I lived in my boyhood. I began to make comparisons between the situation in that parish 50 years ago and the situation to-day and I could not help being struck by the great and serious difference in the character of the inhabitants. There was a big drop in the population but, apart from that, I found that the two or three blacksmiths' shops which were there 20 years ago had been closed; there was no saddler and the two flour mills had long since been closed and were in a dilapidated state and very unlikely ever to be set going again. These changes meant that other occupations had also ceased to be practised in that district. The wheelwrights, for instance, had gone. If one were to make a survey of a number of parishes and rural areas one would find the same story repeated. Not only has the population gone down but the local crafts have died out, and all the work required in these districts has to be carried out at neighbouring towns.

The remedy is not merely to bring men back to the land, not merely to encourage men to remain in the country, but to see, as far as possible, that there is no further drop in rural industries and that something is done to restore those industries which are capable of being restored. There are many, of course, that cannot be restored, such as the milling industry of the country, but there are certain industries which have migrated into the towns for whose return to the rural areas we might hope, and something has been done of recent years in this direction. The hon. and gallant Member who introduced this Motion referred to what has been done by the Rural Industries Bureau, in co-operation with the Rural

[Mr. Llewellyn-Jones.]

Community Council, in organising craftsmen in various parts of the country. Reference has also been made to the activities of the Women's Institutes which are scattered throughout the country. It may be of interest to hon. Members to know that the first women's village institute was started in Anglesey, in North Wales, in a small village with a very long name—probably, if it were printed in full, the longest name on the map of England and Wales. [HON. MEMBERS: "Say it!"] I am afraid it would be eleven o'clock before I had finished it.

I propose now to refer to what has been done in Wales in connection with one industry, because I believe it is some indication as to what might be done in other parts of the country. I refer to the woollen industry. There was a time when the woollen industry was one of the great industries of Wales. Long before any coal mines were opened in our country, our small woollen factories not only supplied their own localities, but flannel and cloth were sent across the border to markets in border towns, from North Wales to Oswestry and Shrewsbury, and from South Wales to Hereford and other border towns; and a great quantity of it was conveyed from these towns to all parts of England. Unfortunately, that industry gradually declined, but at one time there must have been hundreds of small woollen factories in all parts of Wales. The water power in the rivers and the valleys of Wales was found to be of immense value in connection with this industry. Recently, there has been a turn of the tide, and the woollen industry in Wales, although it is suffering at the moment owing to the depression in the mining districts, has some prospect of revival, I believe.

Reference has already been made by both speakers who have preceded me on this subject to the importance of educational work. It may be interesting to know that a few years ago the Welsh University took up this matter. A certain fund was placed at the disposal of the university in connection with Welsh industries, and a committee, of which I had the honour to be a member, decided that it might very usefully be expended in making a survey of the woollen industry, to see what could be done in order to develop it in various parts of Wales; and an advising and organising officer was appointed. In the first instance, a very interesting report was published on a survey of the Welsh textile industry. The report gave an account of the mills and factories in various parts of Wales, and made certain suggestions in connection with organisation in the future. As a result, the Welsh Textiles Association was founded, and this association has not only assisted in stimulating the industry, but has done one important thing which was absolutely necessary in connection with it, namely, improving the design of the cloths woven at the different small factories in Wales. In probably the same report to which the hon. and gallant Member referred, the report of the Rural Industries Bureau, reference is made to this matter, and I think perhaps a few sentences from this report will give the House a better idea as to what has been done in Wales in this connection than can any words of mine:

> "The Bureau works direct with the Welsh textile industry . . . . Welsh industry consists of 100 rural mills hitherto producing flannel, blankets, and coarse cloth. With Bureau help Textiles Association has been formed, and new modern fabrics designed by the Bureau and gradually being introduced have been exhibited, for the first time, at the British Industries Fair, where export orders were received from all over Europe. Assistance with design will continue and two looms be permanently devoted to design experiment. The technical advice is supplied by a Welsh-speaking expert working permanently in Wales. The industry uses local wool, employs 1,000 men, and is capable of employing 2,000. After success at Fair, interest in design and new methods is spreading to more factories in Wales."

When the House realises that there are something like 140 factories, the great majority of them in the three counties of South and West Wales—Cardiganshire, Carmarthenshire and Pembrokeshire—it will be seen what can be done by organisation of this character. This is one of the rural industries which I believe has largely been saved by the assistance, given, in the first instance, by the Welsh University, and subsequently by the Welsh Textiles Association, which was established in conjunction with the Rural Industries Bureau. This is not the only industry to which attention has been devoted of recent years in Wales. In a very interesting report, published in the year 1927 and compiled by Miss Anna M. Jones, reference is made to a large number of other small industries, such as pottery and basket-making, and it is an indication that a good deal can be done if, in various localities, there is some kind of organisation, and a possibility of receiving advice, and in some cases, of course, of getting certain financial assistance to start an industry.

The question to which the House naturally desires to address itself is what can be done to stimulate this movement. No one disputes the importance of developing rural life in its various aspects, and the Minister of Agriculture has certainly a great opportunity. I like to regard the Minister of Agriculture as the Minister of Rural Industries dealing with all aspects of rural life. I will suggest in this connection that, so far as Wales is concerned, the Welsh Secretary of the Board of Agriculture, who is stationed in Wales and has a staff at his disposal, might work in conjunction with the local authorities and the education authorities to deal with all aspects of rural life. I am very glad that such emphasis was made upon the importance of giving a rural bias to education.

I speak with a good deal of knowledge of the educational movements in Wales when I say that I am afraid that our elementary schools have been regarded too largely as schools to train children to go to the secondary schools. Our secondary schools again—the great majority of them, at any rate—have simply gone largely upon the old idea of giving either a good literary education or an education in science subjects. The practical side of education has been neglected to a very great extent, particularly in the rural areas. What is the result? A very large number of the children who pass through rural schools think that their only possibility of a decent future is in the towns or in industrial districts. If something can be done in the elementary schools to give a more practical side to education, it would certainly mean that more children would be prepared to remain in the country. A child should not be brought up with the idea that it is only by following what many people regard as more respectable occupations that he can find a future after he leaves school.

I trust that the Government will not merely accept this Motion to-night, but will follow it with action. I cannot imagine that there will be any attempt from any part of the House to oppose it. The danger is that once a private Member's Bill has had its Second Reading and is sent upstairs to Committee to be scanned, and once a private Member's Motion is passed, it goes into the pigeonhole of some Department or other and is forgotten until it crops up again three or four years afterwards. This is one aspect of many of the problems which are baffling us in this country, and I trust that the Minister of Agriculture and the Government will, after the House adopts this Motion, as I am certain it will, will see that something is done at no distant date in order to implement what I believe to be the views of the great majority, if not of the whole House.

8.50 p.m.

Mr. J. P. L. THOMAS: As I represent a constituency whose welfare is entirely bound up with the prosperity of its agricultural population, I should like to add my congratulations to my hon. and gallant Friend the Member for Newbury (Brigadier-General Brown) for bringing this Motion before the House, and to congratulate the hon. Member for Mid-Bedford (Mr. Lennox-Boyd) for the very able and charming way in which he did his share by seconding the Motion. I welcome the Motion on my own behalf, for to those who represent agricultural constituencies one of the most pleasant features of our work lies in the attraction and the interest which we find in village life. Any action or trouble that we may take now cannot be too great a burden if thereby we can do anything to preserve the happiness and contentment of the people in our villages. For some time past we have watched the drift of our rural population from the countryside to the town. Year after year we have watched them with a feeling of despair because we felt that our hands are being tied behind our backs by a futile and worn out system of Free Trade. Until this Government came into office we had been powerless to help them, and we had to stand by while our rural industries had to stand up by their own unaided efforts against the competition of the foreigner.

[Mr. Thomas.]

That day is now passed, and it is because the Government have put into our hands the weapon of Protection, and because the Minister of Agriculture with great courage has launched us on a venture of building up once more the greatest of our British industries, that we support this Motion with more optimism than we possibly could when last the hon. and gallant Member introduced it in the House. The decline in the prosperity of agriculture has seen the decline also in our rural industries. In this country it is the concentration on manufacture in urban localities which contributes so largely to the displacement of the population of our rural areas. Unlike other countries, we have taken no steps until a short time ago to preserve the balance between our towns and the population of our countryside. It has not been so in other countries. Germany, for instance, as far back as 1870 after the ending of the Franco-Prussian War, was engaged in reconstructing her life as a national unit. She aimed at balancing the claims of the country and of the towns. She adopted that policy 60 years ago, and we have waited until the present day before we ourselves have attempted to adopt it. That it was a right policy is beyond doubt, because in the years of the Great War she reaped her reward. Her resistance to the blockade was one of the greatest wonders of the War.

This example has not altogether been lost on us, although we could have made greater use of the methods which they used, for successive Governments since 1921 have given practical financial help to the Rural Industries Bureau Development Fund. This has worked most successfully in at least 18 of our counties, through either the rural community councils, the rural industries bureau and other bodies, especially the women's institute. I, too, would like to seize this opportunity of paying a very fleeting tribute to the women's institutes, who, with their most admirable instruction work, do so much to bring content into our village life.

As the county which I represent is one of the 18 which are receiving this help. I hope I shall not bore the House if for one moment I give an example of a rural industry in Herefordshire. The hon. Member for Flint (Mr. Llewellyn-Jones) told us how the people of his county used to market their goods in the markets of Herefordshire. We have taken a leaf from the book of the hon. Member for Flint. We have set about and are making great strides in the industry of woven tweeds, but we do not return the compliment of using Flintshire as our market. We seem to have gone farther afield, for to-day not only are Herefordshire tweeds being sold in all parts of the British Isles, but they go to South America, South Africa, Czechoslovakia, Ceylon and Denmark. Now, with a mixture of linen and wool, we are preparing to produce light-weight tweeds suitable for use in tropical countries. The development of this new industry is already having a tremendous effect on the building of new looms, and giving great work to village carpenters in my constituency.

The hon. and gallant Member for Newbury spoke to us of the possibilities of basket-making were it given sufficient Protection against the foreigner. We, too, in Herefordshire make baskets. He pleaded for an increase in the tariff against foreign goods. I understand that certain of the basket-makers are asking for what I should call a prohibitive tariff against foreign imports. I assure the House that I should be the last person to grudge tariff Protection to any agricultural industry, but there is a danger on this particular question. The customers of our basket-makers are the users of what we call containers, and if regular supplies at reasonable prices are too difficult to obtain there is a possibility that they will give up the use of baskets and take once more to non-returnable boxes and to crates. Although I hope very much that the 20 per cent. tariff which I understand is at present upon the products of that industry may be increased, it is just as well that it should not be increased to a prohibitive level too suddenly.

I certainly have no wish to pose as a person with any particular knowledge of the subject of this Motion, but, if I might with very great respect make one suggestion to the Minister, it would be to extend to these rural districts the benefits of a marketing organisation. We have all seen the very attractive products of our rural craftsmen at exhibitions, and surely we can agree that there must be a very large potential demand for the products of our village blacksmiths, our wheelwrights, our potters, and our textile workers. The trouble at the moment seems to be that the large stores and distributors are unable to purchase these articles wholesale in sufficient quantities, and to be certain at the same time that they will be up to sample. Would it not be possible for rural producers to be registered at some central organisation, possibly the Rural Industries Bureau, which would be in a position to accept orders on a large scale knowing that it would be possible to meet the demands in a satisfactory manner? The cost of a marketing organisation would have to be considered, but if we follow the examples which have been presented to us during the last few months, and especially on Monday, surely that cost might be defrayed by producers in the form of a levy. I am quite convinced that this is a step which will have to be taken if these rural industries are to continue to prosper and to expand.

I realise that this Motion may seem possibly, a question of secondary importance to the Minister of Agriculture, who is for the moment facing such tremendous problems in his Department—tremendous problems in all the branches of agriculture—live-stock, arable and dairy farming—with such sympathy and with such courage. I say of my own knowledge, and I am speaking for one of the greatest live stock areas, which has been terribly hard hit through the collapse of prices in the meat market during last year, that in that area he has won from the farmers and agricultural workers the greatest admiration and the greatest confidence. That is the case to such an extent that I am sure he will be victorious, with their help and co-operation, in rebuilding our great industry and recreating a rural civilisation. But if that picture is to be complete it must contain within its framework the prosperity also of the rural industries referred to in this Motion, and I feel sure that he will look upon the suggestions which have been made in previous speeches with the greatest sympathy. I would also ask him, with great respect, whether he does not think the time has come when a very serious inquiry might be held into the following three points: first, to see what other rural industries existing already in foreign countries might be started here in Great Britain; second, to see how best to develop the rural industries already in existence here; and thirdly, and to my mind most important of all, to consider the need of a sales organisation. I support this Motion because I realise, as does every other right hon. and hon. Member of this House, that the eventual triumph and the eventual strength of the agricultural population, will rest upon the initiative and the native craftsmanship of every individual agricultural worker.

9.3 p.m.

Commander COCHRANE: I wish to give whole-hearted support to this Motion, and I start by saying that because I would like to give my very brief remarks a rather different direction from that which has been followed by any of the other speakers up to the present; and for this reason. I think my hon. and gallant Friend who introduced this Motion was, if he will forgive me for saying so, speaking about to-morrow in the terms of yesterday. Even in the rural districts things will not be in the future as they were in the past. I regret exceedingly that that should be so, but it appears to me that conditions are changing so much in this country and throughout the world that we cannot expect to get back to those conditions, which I am sure we should all like to see, where the rural industries which he indicated were the ones which could be successfully carried on in our country districts. I think one of the greatest mistakes which we have made in this country in the past has been to divorce the great industry of agriculture from our other producing industries.

My hon. Friend the Member for Hereford (Mr. J. P. C. Thomas) mentioned just now what had been done in Germany, saying that there they had endeavoured for the last 50 years to weld together, as I understood him, the agricultural industry and other productive industries. I believe that the Germans describe that process as making their people "crisis-resistant," that is to say, the inhabitants are not entirely dependent upon either one or the other industry. I do not think that there was ever a time in this country when we had more need to apply the same principles. To-day, as a result of the displacement of men, not entirely but largely because

[Commander Cochrane.]

of the so-called rationalisation of industry, that is, by the perfection of machinery, men are becoming unemployed, and, at the same time, voluntary associations all over the country are trying to find small plots of land so that those men may do something to keep themselves until they can get back into employment in their own industry.

We cannot regard that as a satisfactory state of affairs. On the one hand, skilled men are being turned off because of the excessive use of machinery, and on the other hand, every effort is being made by those voluntary associations to find the unemployed men some occupation at which they will not produce anything useful. The voluntary associations are at once in difficulties as soon as they produce anything for which they must find a market. There must be some middle course which would avoid those two extremes. I think that we must accept the possibility that the industries of this country, and by that I mean the great agricultural industry and the other productive industries, must be more closely linked together, if we are to have a prosperous country in the future. The Government are taking steps and powers which will make it possible for them to bring about this great change in the country. The question I would submit is, would it be right for them not to do so? We have only a limited amount of land, and we must face the question as to whether that land is to be used for the purposes of producing food-crops by the ruthless use of machinery and so on, or whether we are going to employ that limited amount of land in order to sustain as many people as possible? I submit that the only rational way in which we can make use of the land of the country is by giving as many people as possible some alternative source of income.

I come back for a moment to the people I mentioned just now who have been thrown out of ordinary productive industry. Would it not be a much happier state of affairs, and should we not see the people of our country much more crisis-resistant if each of those unemployed men had a comparatively small plot of land which they could use for part-time employment, and from which they would gain a certain amount of produce? My hon. and gallant Friend the Member for Newbury (Brigadier-General Clifton Brown) mentioned with approval —and I entirely agree—what has been done by the Forestry Commission. He mentioned also the Central Landowners' Association. Men are employed part-time at forestry and part-time upon smallholdings. I have never understood why the production of trees should be thought the only productive industry which could be usefully linked with agriculture. I believe that much can be done in the way of adding other productive industries to agriculture.

I am encouraged in that view by the fact that, in spite of all the talk that there has been in recent years—you do not hear so much about it now—of the rationalisation of industry, there were, in 1930, 97,000 factories in this country each employing fewer than 25 men. There were another 11,500 employing between 26 and 50 men each. All those factories might have been in rural districts; I do not say that they all were, but it would be possible that they should be in rural districts. There is nothing in a process which can be carried on in a factory employing fewer than 25 men which prevents it from being carried on in a rural district. The total number of people employed in the smallest class of factories was very nearly 650,000 in the depressed year 1930. I believe that we must look to a development of that sort in the future, and it is for that reason that I ventured at the outset of my speech to say that I should feel bound to suggest to the House a rather different argument than that which had already been put forward.

We are embarked on this course. I do not say that it is our fault. World conditions are such to-day that the Government having taken powers, with the full assent of the country, to plan conditions in the rural districts for the future, if they face that problem as they faced the great difficulties with which our other producing industries are faced—and, after all, they are inter-linked problems —they will find it more and more necessary to link agriculture and other productive industries together. By doing so, I believe that we shall witness a revival of rural industry, but I do not think that those industries will be on quite the same lines as those which have been the stand-by of our country districts in the past.

9.12 p.m.

Mr. CROSSLEY: It is with some trepidation that I take part in this discussion, partly because in my constituency there are but a few fields, and on them only a few black sheep, and partly because I want to raise a question on those craft industries which the Seconder of the Motion, in a most admirable speech —I am sorry that the hon. Member is not in his place—deprecated as not worthy of the attention of Parliament. I wanted to make some rather imaginative remarks upon that matter, because we have to-day on the Front Bench a Minister who, we hope, is the most imaginative Minister. There is a good deal of difference between imagination and fantasy. Imagination leads to truth; fantasy leads to deception.

It was once my good fortune to go into the Law Courts when a breach of promise case was on. The learned judge was just beginning to sum up, and he began by going into the complete history of engagement rings since they first became desired by, and satisfactory to, the vanity and the avarice of young ladies. This question of craft industries is one which cannot be studied without first looking into history, noting those periods when craft industries flourished and seeing if those conditions are compatible with conditions in this country at the present time. Those industries certainly flourished in monastic days, when the craft guilds in every rural town in the country looked after the interests of the industries themselves and insisted upon the system of apprenticeship.

Now, however, those craft guilds have fallen into disrepute; they have sunk away into the dim ages; and even their town confreres, the City companies, have also become merely centres of conviviality and erudition. The goldsmiths, who, again, in the country, used to encourage craft industries, are also gone. These were succeeded by the period of the parson and the squire, when the parson and the squire were mostly engaged in disporting themselves either over a country or under a table, or came up here to Westminster as rather scaly-skinned diehards and opposed every bit of progressive legislation that was put forward by their opposition, the Whig aristocracy. The Whig aristocracy, quite clearly, performed a most admirable service to the country. They did encourage some craft industries. But, at the same time, they mostly gave their attention to more refined and cultured people abroad. They went on the Grand Tour, and brought back tastes in Venetian pictures. Then we had the industrial revolution, and our craft industries were really endowed with very small strength to meet the temptation to flock into the towns.

I want to go into another little reminiscence. When I was at Oxford, the wise and benevolent president of my college decided that it would be a good thing if I spent one term in the country. I chose, as the place to go to, a little village, and lived there with a reverend gentleman who had a house which was entirely built in the style of the village —built entirely by local craftsmen. It was fitted up in every part with beautiful old furniture; the candlesticks were of wrought iron, made in the country; the tables, perhaps, were made in the old monastic days; the pottery was made in the country. Everything was beautiful, and everything was in its way significant. The point that I want to make is that every one of those articles was actually made by people, not as luxury articles, but intended for everyday use.

To-day our new houses are furnished entirely with machine-made goods, and they are often built to the complete desecration of the country side. In the Vale of Conway, for instance, a new village has been built right along the hillside, and great interest has been taken in it by the right hon. Gentleman the Member for Carnarvon Boroughs (Mr. Lloyd George). It is a complete blot, a straggling blot, on the face of one of the most beautiful valleys in England. I do not know whether this is not the appropriate time, even with all the appalling problems with which we find ourselves confronted, for the right hon. Gentleman, who, as we hope, has the imaginative mind, to turn to this piece of really constructive legislation, to fortify himself with powers to stop the building of country houses with bricks which are incongruous in the district in which they are used. To restore the balance between town and country, something must be done to add dignity to our modern countryside.

Something in that direction is being done to-day. There is a church which Gilbert Spencer is decorating at Cookham; there is the glass which is being

[Mr. Crossley.]

made at Broadway; there is the monastery which is being built at Buckfast, in Devonshire, by the monks. All of these are definite undertakings which will have the effect dignifying the countryside. Is it not possible to relate activities of that kind to the problem of to-day in our towns? Is it not possible to start settlements in the country of small groups of people who, under the guidance of competent craftsmen and competent artists, will undertake to revive those industries? I know that there are plenty of competent craftsmen; I come across them every day in the district in London where I live—craftsmen who would be only too glad if the chance to go and guide a community in the country towards developing a craft industry.

There are three questions that have to be asked: Where do you get your men? Where do you get your money? And, most important of all: Where do you get your markets? I suggest that you could get your men from the occupational centres which are springing up in the towns. I believe that you could get your money if the right hon. Gentleman would make a statement—a positive, emphatic statement—that he believed that there would be a market for those goods. It depends, of course, upon the answer to the question: Would there be a market for those goods? I do not know what is the use of a great deal of our education if it is not going to lead to appreciation of the fact that what is made by hand is, generally speaking, more significant than what is made by machine.

We live in a time when capitalism is floundering in the morass that it has created, and the only alternative given is a Socialism which has absolutely no ideals for an individual, or else something frictional in between the two. The study of history satisfies me that, when you have a period in which you do not make use of your capacity to create beautiful things, to dignify both town and country with what is beautiful, then you have a period of national decay. Where there is no vision, the people perish. As was said by the hon. and learned Member for Central Nottingham (Mr. O'Connor) the other day, it is our duty to build up a new capitalism that will give hope for every person with a brain—a brain to appreciate, a brain to use, a brain to construct. I suggest that this is not a wrong time at which to ensure that that capitalism shall partly be a capitalism of the countryside.

9.24 p.m.

Sir ALAN McLEAN: Like other Members of the House, I desire to congratulate my hon. and gallant Friend the Member for Newbury (Brigadier-General Brown) on his fortune in the Ballot, and to thank him for the use that he has made of it. This Motion asks the House to record its opinion that it is vital to the country to maintain a thriving and contented village life, together with a prosperous agriculture; and, of course, if we could restore prosperity to agriculture, there is not the slightest doubt that it would go a very long way indeed, if not the whole way, to getting a thriving and contented village life. My hon. and gallant Friend has been fortunate in that this Motion comes before the House at a time when we may be said to be in the middle of a Second Reading Debate on probably the most important agricultural Measure that has been before the House, at any rate since the War. The Corn Production Act did for the time restore a great deal of prosperity to agriculture, but we hope that the Measure which will get its Second Reading next Monday will have a far more permanent and beneficial effect.

In this House we frequently talk about the depression in agriculture but, partly no doubt from the fact that the agricultural labourer does not come within the unemployment insurance scheme, we have difficulty in comparing the depression in agriculture and among agricultural labourers with the depression in other parts of the country. I believe that, in a purely agricultural county, such as Norfolk, our position is comparable to the position in South Wales or the North-East of England. In Norfolk we share the unenviable distinction with the county of Durham of being the most highly-rated counties in the country. In a county where you have industries other than agriculture, the men and women in those industries are maintained to a great extent when they fall out of employment, first, by the benefit they get under the Unemployment Insurance Act and, secondly, by transitional payment. To that the residents in other counties contribute through the taxes, and the residents of Norfolk help to contribute to that benefit in every other county in the Kingdom. Yet in Norfolk, owing to the fact that we have got no unemployment insurance in agriculture, we have to maintain our own unemployed agricultural labourers. This additional burden is one of the reasons why the smaller industries, the shopkeeper and others, in a county like Norfolk are feeling the pinch in the way they are now.

If we are to get, in the words of the Motion, "a thriving and contented village life," we must get employment for our agricultural labourers at a time when work on the land is normally at a low ebb. Nothing can be more depressing to a man who is reaching the end of his job than to feel that there is not another job waiting for him. If we can get him to realise that the moment he finishes a particular job there is another waiting for him, it will do a great deal to restore contentment to that man. In East Anglia we have, in our sugar-beet industry, an industry which does give employment to a great many agricultural labourers at a time when they would normally be thrown out of employment on the land. The present system of help for the sugar-beet industry in this country comes to an end next year, and I hope that, in considering the future of that industry, my right hon. Friend will press on his colleagues the importance of this industry from the point of view of giving employment to people in the countryside at a time when normally they cannot get very much work.

There is another industry in the countryside which also gives work to our agricultural labourers in the winter time, the malting industry. This is not the time to go into the vexed question of the taxation of beer, but in our country maltings we have an industry that does give a great deal of employment throughout the winter season. Those country maltsters have a permanent staff all the year round, but they take on a good many men in the winter season. Owing to the depressed condition of the industry at the present time, many of these country malthouses are closed down altogether and others are employing far fewer men and for a shorter time than in the past. One of the malting houses of my constituency is employing something like a third of what it has been accustomed to employ. I had a letter a short time ago from one of these maltsters in which he said:

> "The men are engaged in malting when they are not required on the land. This was always the case in normal times—95 per cent. of the men had employment waiting for them directly they finished malting, and more often than not the farmers would approach us asking when the men, who were required for the haysel, hoeing roots, and harvest would be at liberty. The two industries dovetailed in and helped one another. The men were at work all the winter months under shelter, earning good money, and left in good fettle for land work."

If we can restore prosperity to our country malthouses, we should be doing a good deal to get that contentment in village life which we all desire to see.

I was glad to hear references to afforestation. We hear a great deal now about the futility of most of such relief work as doing to-day the work that would normally be done to-morrow, and there are difficulties in finding the kind of work that will give benefit to the country as a whole. Many jobs that could be done in the countryside cannot be done because they give benefit to an individual or a small group of individuals, but in afforestation we are giving jobs to men, the whole benefit of which will result to the nation at large. In East Anglia, in Norfolk and Suffolk, the Forestry Commission are planting something like 40,000 acres, about one half of which is in my own constituency. A tree growing singly is a very beautiful thing, but, when you have trees growing in hundreds of thousands, mile after mile of them, opinions may differ as to whether they are real beauty or not. There are advantages and disadvantages to the country in these schemes of afforestation, but, if we can use that scheme for giving employment to our people, especially in times of adversity, there is a great deal to be said for it.

In the process of economy the Forestry Commission had to cut down to some extent their schemes, but they are naturally keen to carry on as evenly as possible their normal planting of so many acres in order to have a regular continuity of plan. There is scope at the present time for the Government and the Forestry Commission getting together to see if there is not work to be done on the forestry lands which will permanently improve those lands and will at the present

[Sir A. McLean.]

time give employment to men otherwise unemployed. The cost to the country will not be great because one can set off against the cost of employing those men on the land the reduction in the cost of transitional payment or public assistance. I hope my right hon. Friend will do all he can to get that kind of work done, because there again it will be giving work to men in that difficult season of the year when there is not much work on the land. For all these reasons, I desire to support very heartily the Motion now before the House.

9.34 p.m.

Mr. McKIE: I am sure the whole House is under a deep debt of gratitude to the hon. Member for Newbury (Brigadier-General Brown) for using his chance in the Debate to secure for us this valuable discussion on rural life in all its aspects. Although the hon. Member and the hon. Member for Oldham (Mr. Crossley) in his particularly picturesque address dwelt upon the minor rural industries, they will forgive me if I do not follow them in detail, because I wish to address myself particularly to the great central rural industry of agriculture. We are all hoping, we are as near being certain as we can be in this mortal life, that the efforts of the National Government will speedily result in agriculture attaining once more the position that it ought to occupy in the body politic.

There are one or two other matters which at once thrust themselves upon our attention when we think of expanding agriculture, namely, What are we going to do to provide for the housing of the additional workers who, we hope, are going to be called for and what are we going to do to provide them with the other amenities of life? A very great deal remains to be done in the villages of England, and Scotland, too, towards providing a proper system of drainage and giving them the water supplies which other more fortunate citizens possess. I hope very much that the Government will devote much of their energy in this direction. Even at present when, alas, many agricultural workers are being driven out of employment and the absence of any scheme of unemployment insurance for the rural worker prevents us knowing what the real figures of unemployment in the industry are, there is a housing shortage. What will conditions be like when in a few years' time we will hope there are more workers to be housed? The House has had under consideration within the last few weeks housing Measures with regard to both England and Scotland. I am very glad indeed that the Government saw fit to deal with the housing question in North and South Britain by two separate Measures. In doing so, they showed that they fully realise the different conditions that obtain, both in town and country, in England and Scotland. Much of the controversy that has raged around those Measures has been on the question of subsidies.

Mr. DEPUTY - SPEAKER (Captain Bourne): I must point out to the hon. Member that the Motion is somewhat limited in scope. He now seems to me to be getting far away from it.

Mr. McKIE: My point was simply the question of the provision of houses for the rural worker and the plea that has been made that adequate steps should be forthcoming owing to the withdrawal of the subsidy. In Scotland the rural worker will be in a more happy position, because the continuance of the subsidy will ensure him an adequate supply of houses. I hope the Government will devote their energies to the provision of houses for the rural workers with the same ardour that I hope they will display with regard to providing drainage systems and water supply. With regard to the agricultural industry——

Mr. DEPUTY-SPEAKER: Again, I must point out that the agricultural industry does not arise on this Motion.

Mr. McKIE: I was under the impression that it arose owing to the words "prosperity of agriculture" appearing in the Motion. More than one speaker has alluded to the Marketing Bill which we were discussing only two days ago.

Notice taken that 40 *Members were not present: House counted, and* 40 *Members being present*——

Mr. McKIE: The attitude of the farming community towards the Government is not that they are dissatisfied that the Government have done too much. With regard to what legislation has already been undertaken towards resuscitating agriculture, pleas are repeatedly made from the benches below me that nothing has really been done to benefit the farmers, that what has been done would have been much better left undone, and that those engaged in agriculture will find that their last state is worst than their first. I would warn hon. Members that when they make such statements they are in no way meeting the requirements of the farmers. I warn them also that when they embark upon such a crusade they will be sowing the seeds of a terrible harvest whenever the next General Election comes, at all events, in the rural constituencies. It is all very well in this House to try and score debating points, and to say that Ottawa, for instance, did nothing for the farmers. That is merely one side of the picture. It is begging the question and is providing no alternative whatever. The farming community, especially in Scotland, are far too shrewd and long-headed to be beguiled by such specious pleas. It is not that Ottawa or anything else went too far. The farming community still think that matters have not been carried far enough. In view of what the right hon. and gallant Gentleman has said on more than one occasion recently, the farmers are beginning to feel more satisfied and comfortable with regard to the future. The Government have nothing to fear from action, but they will have everything to dread from delay.

9.47 p.m.

Mr. RHYS: We must be grateful to my hon. and gallant Friend the Member for Newbury (Brigadier-General Brown) for introducing this Motion and providing an opportunity for this discussion. There has been a very serious drop in the number of children attending many of the schools in the countryside of England, and it is a very close indication of the decay which is going on, not only in the agricultural industry but in the ancillary industries grouped around it. I wish to draw the attention of the right hon. and gallant Gentleman to two or three points in the hope that he may bear them in mind in future. Unemployment, unfortunately, is growing in the villages, not only among the agricultural labourers, but among the community who act as gardeners and grooms. Although it is perhaps not entirely a question for the Department of the Minister, I hope that he will use his influence to secure a reduction of taxation—particularly of Death Duties—which is draining the countryside of its very lifeblood. It is easy enough to sneer and laugh at that kind of remark, but the fact remains that agriculture is having its lifeblood drained away, and the men who usually find employment in gardens and in stables are finding it more and more difficult to support their wives and families.

Another industry which is suffering very severely along the Surrey-Sussex border and which used to be a very prosperous one, is that which was referred to by my hon. and gallant Friend, namely, the underwood industry. In days gone by many farmers and estates made a considerable profit every year from the sale of their underwood, particularly for the purpose of fencing, and, in some districts, for hop-poles. The best of the wood was usually sold for hop-poles, and to some extent this still goes on. The fencing industry, however, is very nearly dead owing to foreign competition. These may be small points, but I am sure that hon. Members will realise that 10 or 12 men out of work in a small village constitutes a considerable proportion of the population, and to the particular village it means a great deal. There is a large number of small country brickfields dotted about the country, and I hope that the housing policy of the Government will have the desired effect of re-employing men who are now being stood off in those small brickfields.

I urge the Minister to bear in mind the proposals which have so far been put forward, but they do not really touch the problem of the agricultural labourer's cottage. The low wage of the agricultural labourer has in the past been in some measure compensated for by the low rent at which he has been able to occupy his cottage. If my right hon. and gallant Friend can urge his colleague the Minister of Health to take a further step forward with regard to the provision of cottages for agricultural labourers, it will have a very desirable effect upon employment in the villages near the brickfields. These two or three points which I was anxious to raise appear to be very small compared with the importance of the Debate to which we have listened this afternoon, but, after all, the lives of the individuals who live in the countryside are just as important to them as our lives are

[Mr. Rhys.]

to us. We ought not to lose any opportunity of bringing those questions to the fore whenever we have such a splendid opportunity as that which has been provided for us this evening.

9.52 p.m.

Mr. RAIKES: I should like to congratulate my hon. and gallant Friend the Member for Newbury (Brigadier-General Brown) upon bringing this Motion forward at a singularly appropriate time when we have the Agricultural Marketing Bill being steered through the House of Commons by my right hon. and gallant Friend. If there is one thing which is certain it is that rural industry cannot possibly revive until agriculture itself is placed upon a satisfactory and sound basis. The whole weakness and difficulty of agriculture in the past few years has been that there has been no incentive whatever for agriculture to reorganise, simply because there has been no security for the home market nad for agriculture as a whole. Now, at any rate, we are facing a new situation, which by helping agriculture will help all those rural industries which are dependent upon the main branch. Agriculture will realise when my right hon. and gallant Friend has had his way and in a comparatively short time, that it can obtain some security provided it is reorganised.

The whole of the village communities and rural industries are dependent upon one thing, namely, that of a flourishing organised agriculture. It is not simply a question of the people who are actually at work in agriculture itself. It goes beyond that and embraces many sidelines of the agricultural industry in which men secure employment when agriculture is prospering. These include local veterinary services, blacksmiths, and trappers, who when things are prosperous are able to get employment and be their own masters, but who when, on the other hand, agriculture is fading and dying simply drift away and are lost. All their knowledge is lost, and the small individualism which they represent goes too.

Beyond those local trades there is the advantage to what I think is one of the best sides of village life, namely, the work that exists for the Jack-of-all-trades. I mean the man who is not directly concerned with any particular branch of agriculture, but who may, with the aid of his wife, keep the village grocery store, He ekes things out a little further by usually doing a certain amount of slaughter for local farmers, perhaps keeps a few poultry, possibly a cow or two, or a pig or two, and at the same time very likely keeps ferrets, which he also loans out at a price either to neighbouring farmers or to poachers, who also need those animals. That is a useful function, and he is a man of some individualism. He is a man who works for himself; he is his own master, and one of the troubles of the whole situation to-day, throughout all this country, is that agriculture is over-industrialised, and there are not enough small men able to work their own job and able to make use of their own gifts.

Beyond him you have one thing which I think we should face. So far as mixed farming advances, it helps rural industries—all those people who lie, so to speak, in the wake of successful agriculture. But we ought to be careful not to turn our minds too much in one direction, which we have been inclined to emphasise of late: that of more cereal farming. On cereals alone you get the same danger of complete industrialisation and mechanisation that is one of the troubles of the towns. The danger in the cereal side of agriculture is that you may get away from individualism. You may gradually denude your land of men by means of mechanised inventions; you may, in fact, kill those very virtues which are the chief reasons why agriculture is still the basic industry and the greatest industry of the land. I say, quite frankly, that I am afraid of that sort of mechanised, industrialised capitalism, whether it is a capitalism of the individual or simply a capitalism of the State. It is more and more making our own people throughout this country cogs in a great machine, without individualism and without the opportunity to develop their own talents, which, after all, in the long run make or mar a nation. Rural industry, so far as it has been developed on the small lines that I have indicated, can at any rate give men a chance of getting out of the mere common rut.

There are two further points on which I should like to say a word in support of my hon. and gallant Friend. My hon. Friend the Member for Guildford (Mr. Rhys) raised a question concerning Death

Duties. If you are going to have Death Duties at all, I submit to my right hon. and gallant Friend that in the long run Death Duties taken from the land ought to be put back on the land and not simply frittered away on things outside. There is some argument for taking money out of capital if it goes back, in a sense, into capital. If Death Duties on the land were transferred back into schemes of forestry, electricity or drainage, they would not simply mean, as they mean to-day, the killing of capital and the still further weakening of a very great industry.

Beyond that there is the question of banking. More harm has been done to agriculture as a whole by irresponsible loans from banks than, perhaps, by anything else. Agriculture for nearly 100 years has been gradually getting into the hands of the rentier class. Farmers have had too much credit, and too much credit is quite as big a danger as too little credit. I should like to see the re-establishment of land banks, so far as it could be done, on the lines of the old county banks, which have some knowledge of the individual's security, the individual position of the individual man. They can give help in a worthy case and can judge a case on its merits, and at the same time they are not working simply to pile mortgage upon mortgage until in the long run they ruin the producer. The future of this country lies with the producer. You must, so far as you can, make the producer rather than the distributor or any class of rentiers the real factor upon which to concentrate and for which to find employment.

My final criticism is that in our rural education we tend far too much to allow townsmen to teach our boys and girls mere useless town stuff. You ought to have more countrymen as teachers in our village schools; you ought to give more practical rural information and teaching to those boys and girls. I suppose it is the Liberal party—who are mainly townsmen—who have played the chief part and done the most work in this movement. If you can be a little less dogmatic, if you can give a little bit more of real practical education to your village and agricultural children, you will be helping the drift back to the countryside. Although I differ from my friends of the Labour party, I believe that the Labour party are going to realise the value of the return to the land. In fact, it has been asserted that we must, in this country and in foreign countries, have a definite scheme of bringing men back, of stabilising the home markets, rather encouraging people to go in for agriculture and to work out their talents within that vast industry than letting them drift away and join the mechanised millions who are displaced time after time and queue up at the street corner and increase and increase. Until you get back to the land you are, day in and day out, weakening the virility of your country and wasting every opportunity of pulling it round to a strong and lasting state. You have to secure your home markets; you have to encourage the small man, to encourage the subsidiary industries that touch on agriculture. I venture to say that my hon. and gallant Friend's Motion to-night has at any rate ventilated a great and important problem, and I look forward, old-fashioned Tory as I am, to some support and some help from my friends on the Socialist side and on the Liberal side to the Tories in bringing these schemes forward.

10.4 p.m.

Mr. ATKINSON: I only rise to put in a plea to the Government to encourage and support the County Development Associations. They do more than any other body to encourage rural industries. There are several in existence, and my own county of Cheshire has an excellent one. It is the duty of the Government to do their best to help these associations. It is very important to get every urban authority and every district authority interested in them, and to support them financially. I suppose there is no more essentially rural industry than pig production, and that there is no county more fitted for the production of pigs than Cheshire; yet there is not a bacon factory in that county. We could produce very good cheese, but the marketing arrangements are limited, and there is no advertising at all. The association hopes to do something for those industries. That is merely an illustration of the way in which these associations help; many others could be given by Members in connection with their own counties. I should like to urge the Government, among the steps that this Motion urges

[Mr. Atkinson.]

it to take, to assist the formation of these associations, and I should like to urge hon. Members to do their best to encourage the local authorities in their constituencies to join these associations. It is only by organised effort that these industries will be assisted.

10.5 p.m.

Dr. O'DONOVAN: The Motion refers to the need of a contented village life, and in order to secure that asks for the assistance of the Minister of Agriculture and that His Majesty's Government should take every possible step. Therefore, this is a very wide Motion. The hon. Member for South-East Essex (Mr. Raikes) pointed out that we must take every care of the small man. But we must first of all produce the small man. Nothing has been more regrettable than to see in the Press the appreciative paragraphs referring to the fact that many of the villages of England were really museums of the ancient, consisting of small cottages, housing men and women 70, 80 and 90 years of age. If village life and village rural industries are to prosper and progress there must be a fostering care on the part of the Government of the village labourer's wife. There can be nothing more disheartening than for a village labourer's wife to come to London and see the lavish social services at the disposal of her sister in London, and to compare that with the impoverished social services at the disposal of the village labourer's wife.

You can see arising in every city expensive buildings, staffed by an expensive body of experts, for maternity and sickness, but in the country village you have the country doctor who suffers in contrast with the panel doctor in the town. You have the village midwife working under great difficulties, whose return hardly pays for her existence. To ask village life to prosper under these conditions is to ask a lot, and I am sure that His Majesty's Government must give a care to the return to the country of some of the money they take from the country in the form of social services comparable to those received by town dwellers. It may be difficult, but difficult problems should be the prize of good administration. If village life is to prosper there must be a complete culture; it must not be a half life. I agree that the veterinary surgeon can contribute to village culture, but you must have a complete civilisation; and in addition to the village parson you must have a first-class village teacher and parish doctor, and, I think, a squire. There must be leaders in the social, medical, clerical and teaching world, and then civilisation in the country will be complete, and able to stand against the false blandishments of town life. When men decay in the villages the country cannot prosper. I shall support the terms of the Motion which asks His Majesty's Government to give a care to village rural life.

10.10 p.m.

The MINISTER of AGRICULTURE (Major Elliot): I am sure that the House will realise that in the years which have passed since the hon. and gallant Member first brought forward this Motion that the subject has matured and ripened; and that the count which brought that Motion to an untimely end has served on this occasion to ensure a more continuous audience, which has throughout the evening displayed a remarkable ingenuity in the variety of the subjects it has found possible to raise under this head. It is true that the hon. Member for Galloway (Mr. McKie) was debarred by the Chair from entering into a discussion of the building industry, and I could see him chafing against the restraints of order which kept him from making the speech which we should have expected from him; but there is quite enough in the Motion, and in the speeches which have been made, to give us plenty of food for thought. It is clear that the House is more and more anxious about the position not merely of agriculture itself, but about the focal points of civilisation, the villages and the industries which the villages support.

It is true, I think, that mechanised agriculture, producing quite as much in the way of tons of meat and butter and cheese as agriculture does at present, may be organised in such a way that it would not be a great contribution to the strength of the nation: indeed the reverse. There is a more ancient kind of life than to hear a whistle blown at six o'clock in the morning, calling everybody to work. There is a more ancient and honourable way of existence which gives a close contact of the man with his job, and with the fruits of his job; knowing where they are to go and working well because it will be appreciated by the people who are personal friends of his own and whose good will he desires to secure and maintain. That is essentially the link which it is desired to have between village industries and the users of village industries; and that is the object which for years past His Majesty's Government have done their best to secure and extend.

The work of the Rural Industries Bureau has been of the greatest service to village industries during a time when village industries were not as highly thought of in the councils of the nation as they are to-day. I should like to pay my tribute to Mr. Vaughan Nash who both at the development commission and at the Rural Industries Bureau worked whole-heartedly and enthusiastically. Until his lamented death he did more than any single man towards keeping alive the spirit of village industries, to which we are all looking forward to a much greater development. The work of the Rural Industries Bureau and the Rural Community Councils has been referred to, but there was one aspect which, oddly enough, has not been mentioned, and that is the emphasis which the Rural Industries Bureau has laid upon the blacksmith and the smith as craftsmen whom the village finds impossible to dispense with.

The danger of the village losing the smith is a real danger indeed. Horse traction, in spite of everything, is still a live factor in our countryside, and I think it is possible that horse traction will in this country, as in many other countries, be able even on an economic basis to compete and perhaps surpass mechanised traction. But not without the blacksmith, not without the smith. I was reading a book written by a nephew of the President of the Board of Trade, who, after a career as a young man in the Flying Corps and other services, settled down as a village blacksmith, but who in addition to being a good blacksmith was able to write a very useful and entertaining book about it. I think it is an example of what we hope to find increasingly in the future, that people will devote themselves to labour not merely for the purpose of making money out of it, but because they realise that a mode of life is as valuable a thing as a pocketful of money, and that it is possible that our factories have overdone the necessity for toil from morning to night for the purpose of filling a big pay envelope at the end of the week. We have certainly got a mode of life which is a much less attractive one than that of the village worker who is in an industry small enough for him really to feel a sense of possession in the work and in the products of his labour.

My hon. and gallant Friend the Member for Dumbartonshire (Commander Cochrane) brought out a note in a very short but extremely interesting speech—the remarkable figure that there were in this country at the last Census of Production no fewer than 90,000 factories employing fewer than 35 men each. As he truly said, there was no particular reason why those factories, or a great many of them, should not be in smaller centres of population rather than in larger. It may be that the dovetailing of winter work with summer work, of work on the land with work in the shop or factory of some kind, to which other speakers have referred, notably, the hon. and gallant Member for South-West Norfolk (Sir A. McLean), can be found not merely in the older industries but in the new industries which are growing up.

Henry Ford has put it forward as his ideal that all men should be in the country, and that they should work on the manufacture of parts, which should subsequently be assembled in a larger central depot, and that a considerable proportion of every factory worker's time should be devoted to work on the land. That American dovetailing does not always work out so satisfactorily when brought to the test of actual experience, but it is at any rate interesting to note that one of the oldest of rural industries, the malting industry, draws its strength from precisely that dovetailing which in a more modern form has appealed to the most modern of men, the American millionaire, Henry Ford.

It is possible that we, in looking at the decay of certain rural industries, neglect the rise of certain other rural industries. To-day there are some rural developments which are favourable to life in the countryside and in the village, as against developments which 25 years ago were unfavourable. I do not quote the motor omnibus as an unfavourable

[Major Elliot.]

factor in village life; I should quote it as a favourable factor. It removes the sense of isolation, by making the rural dweller feel that he, or rather she, can get into the town and return again to the country. That makes it more easy for people to remain in the village. It is not that one can get out of a place that upsets one, but the feeling that one cannot. If one feels that one can leave a place, or a man's company, at any moment, one is more content to stay in a place.

The wireless has also done a great deal to make people contented with village life. They can listen-in to the words of the great ones of the land and come to the conclusion that those words are not any more intelligent than what they could hear at the blacksmith's or the cobbler's shop while, in the case of the wireless, they have not the great fun of butting in and putting their own side of the case. I am not at all sure that even the cinema has not its good side as well as its bad side in this respect. The dweller in the countryside can see exactly the same show as the town dweller. I do not think that those shows are always of the sort that any of us particularly admire or value but at any rate the man or woman in the country has exactly the same chance of seeing "Shanghai Express" for instance, as the town dweller. I do not say that "Shanghai Express" is the sort of thing on which we should wish either the town or country dweller to concentrate too much. At all events, if they want a fairy story, there is a fairy story —one which has, apparently, no relation to real life whatever. The dweller in the country can see it and say, "If that is the sort of thing that they get in London and the big towns we might just as well go out and look at the sunset which is much better entertainment and has the advantage of being free."

Here, then, are features which are favourable to rural life, but all these are useless unless we have the foundation of an economically sound rural life. I shall not dilate upon that point because we have other Measures and other opportunities for bringing that about, but I heartily sympathise with the expression of opinion which has come from speaker after speaker, that, without a sound economic life, it is no use trying to make a synthetic "arty and crafty" sort of rural existence, backed up by subsidies. I appreciate the words of my hon. Friend the Member for Mile End (Dr. O'Donovan), who pointed out the necessity that the services which are available for the town dweller should, to some extent, be available for the country dweller also. That point was stressed by other speakers—it was one of the points got in by the hon. Member for Galloway before he was called to order—particularly with reference to water supply. The kind of village life that we all desire must not be based upon the slavery of the housewife. Efforts must be made to see that the rural housewife has access to sources of clean water, and that when she is bearing children she has the same services as those afforded to her sisters in the towns and living nearer to the great centres of medical research and education.

This Debate has been marked by many interesting speeches and by a particularly interesting speech from the hon. Member for Hereford (Mr. J. P. L. Thomas). He brought forward several points which will certainly receive the attention both of myself and the Department. His suggestion that it may be desirable to look again, not merely into the organisation of existing industries but the possible foundation of new industries, is worthy of attention at the present time. In the attempt to rebuild rural life in a near-by country, in Ireland, when Lord Balfour took up his work as Chief Secretary, one of his chief efforts was to investigate through the Congested Districts Board the possibility of new industries, and to cooperate with the inhabitants and with people willing to take some leadership in the question, to see whether new industries could be set up in the congested districts of rural Ireland. That work met with a great deal of success by not trying to impose some cast-iron structure upon the whole industry, but by realising that only by individual effort, by picking out here and there where a seed was likely to grow was it possible for an efficient rural industry to be started. The carpet industry and other industries in Ireland owe their inception to the stimulus given through the Congested Districts Board when we were attempting to solve the problem of the rural life in another country. Let us hope it will be possible to take some lessons which we learned when working on the rural life of another country and apply them when we are trying, as we are here, to develop our own. Another point which was made by several speakers, and in particular by the hon. Member for Mid-Bedfordshire (Mr. Lennox-Boyd) was that the school was a key point in rural life and that the bias given one way or the other in the school might be a factor of overwhelming importance in the subsequent attitude of mind of the scholars towards the whole question of existence in the country or in the town. One or two speakers have pleaded for a greater education in practical agriculture, notably my hon. Friend the Member for South East Essex (Mr. Raikes). I am not quite certain—I am not here speaking as Minister of Education, although we have the great advantage of a Minister of Education who has been himself a Minister of Agriculture and has sympathies with the countryside as large as any man in Parliament to-day—whether the ideal of education in agriculture or of education in rural life is the better, because education in agriculture may have the effect of most of our education, that is to say, filling one with an enduring disgust of the subject in which one is educated, and I should be most unwilling to see the land and agriculture obtain the same wholehearted dislike in later years by the scholar that the great dramatist Shakespeare does when one has been driven through his plays as a school subject for the purpose of passing examinations.

It is again noteworthy that the Danes, when they started on their efforts to recreate rural life, went for a cultural, not an agricultural, education. I am not dogmatising on this, but merely contributing my part to a Debate which has been singularly fruitful in the pooling of ideas, and I merely ask my hon. and hon. and gallant Friends who have spoken to consider whether in fact the best of all solutions would not be the highly educated man who comes to agriculture or to rural life with the desire to make a success of it, believing that, after trying other things and having all the resources of civilisation open to him, rural life is the best thing he can possibly take up and the soundest way of life for a really rational man to engage upon. These things, of course, take one a little far from what one might call the sealed pattern of a rural industries Debate. I am sure that at the present time we have to go a little wider than these close examinations if we are to get down to the real recreation or revival of rural life which we all desire.

I think the success, which has been also referred to in this Debate, of the Women's Institutes has done as much as any single factor towards the recreation of rural life. They did not stop simply with agricultural education. It is true that in many cases they have developed into rural handicrafts in a most admirable and praiseworthy fashion. I had an opportunity of visiting an exhibition of handicrafts which the Women's Institutes recently had. It included needlework, basket-making, leather work and the making of things which one does not immediately associate with women's activities, such as carpentry and even iron-work. All these things were put forward in a most interesting exhibition. That started from working at community life and desiring to obtain the feeling that people were not merely isolated units in a village community, but a group of people who were working together and living in the country, and intended to go on living in the country because that was where their lot was cast and they had no desire to depart from it. I think that the rural community councils which have been spoken of to-night are striving to do and will more and more take on important work. They are off-shoots of the National Council of Social Service, which has recently been asked by the Government to undertake important duties, and which, I think, is performing them to the satisfaction of all.

In accepting this Motion we do desire not merely, as the Mover and Seconder said, to insert it in a pigeon-hole and see that it is not again taken out except for the purpose of dusting it some years hence. The encouragement of rural industries and the maintenance of a pride in village life are fundamental to the policy of the Government. We are making a start with the great industry of agriculture. These other industries are ancillary to the industry of agriculture.

[Major Elliot.]

It may be that agriculture itself cannot reach its full stature except with the assistance of these odd outlying industries of which both my hon. and gallant Friend the Member for South-West Norfolk and my hon. and gallant Friend the Member for Dumbartonshire have spoken to-night. Let us always remember that rural industries are a part of the life of Great Britain as a whole. Do not let us segregate town and country. As so many speakers have said to-night, we have too much developed the life in the towns but the people there are all Scots, English, Irish or Welshmen, and they are not very far away from the country; they are not many generations removed from it. If you can make life in the country heathy, tolerable and cultured, we shall find our people returning there. The queues at the Employment Exchanges are the strongest propaganda for the rural life. The people of this country are not fools, and are looking at the queues and saying, "If this is the end of factory life, perhaps our forefathers who stayed in the villages were wiser men than their sons who went into the towns."

10.35 p.m.

Mr. T. WILLIAMS: If only for the purpose of pleasing the hon. and gallant Member for Newbury (Brigadier-General Clifton Brown) I rise just to say that we offer no opposition to the Motion which he so ably submitted to the House. We are rather sorry to have to intervene for one moment in what has been a very pleasant afternoon since 7.30. In 10 years I have never seen a more happy family party in the House of Commons than we have had during the last four hours. A mutual admiration society would perhaps better describe the position. How the Minister felt when congratulations were coming in upon him from North, South, East and West I really do not know. I think the right hon. Gentleman was correct if he felt apprehensive. In any case the Motion has provided an opportunity for a very varied discussion on rural life, which has been pleasing, helpful and constructive. Sometimes I felt that we had more representatives of Gandhi in this House than we had hitherto thought. Many hon. Members want to go back to the state of Gandhi, to the hand loom and the many towels round the body, and so forth. I think the hon. and gallant Member for Dumbartonshire (Commander Cochrane) was quite correct when he said of somebody that he was thinking of to-morrow while looking at yesterday. That was a fairly accurate description. Nevertheless, many of these rural industries which have died out are a distinct loss to this nation, and could circumstances be created under which they could be restored, even though they employed only two or three men in a village, it would be of distinct advantage not only to village life but to the health and the social life of the nation as a whole.

One thing dawns upon us in listening to the long lament over the depopulation of the countryside—that the lopsided development from which this nation is now suffering has at long last brought many rural Members, and even the hon. and gallant Member who introduced this Motion, to a stage in their development where they have at least begun to realise that the depopulation of the countryside is not of value to the State. It is rather a pity that the hon. and gallant Member should not have thought of this 30 or 40 years ago, for he must have known then, as we all know now, that it was because profits in industrial life were so easy that the countryside, village life and all those glorious things to which he referred were sadly and seriously neglected. We are suffering the consequences to-day. Social life and social value were ignored for the material life which was so easily obtainable in a world of expanding markets. Now, as the hon. Member below the Gangway who had the misfortune to take an uncomfortable seat said, we have lost a great deal of our social life and our social values, through having paid too little attention to the production of food and the development of village industries. We paid more attention to the towns and the profits which were so easily obtainable therefrom on an expanding market than we paid to the development of a strong, healthy, vigorous race in the country.

I would say to hon. Gentlemen who want to restore large numbers of people to country life that they must take the hint of the hon. Member for Mile End (Dr. O'Donovan), who suggested that we cannot expect people to leave the social life of the town for the countryside until the services in the country are almost equivalent to the services in the town. We cannot expect people to migrate from the towns, where they have electricity, water, sanitation and all the other social services, unless the countryside is similarly served. That becomes a question of money and of interest. Hon. Gentlemen who want the restoration of a happy, vigorous country life may think out how we can give our village population a good water supply and a good supply of electric light or gas, and if we do that the chances are that we shall be able to persuade many of those 97,000 factories employing 25 persons or less, to go out into the villages, where the populations would be sufficiently large to make a village institute or a women's institute a live entity and of real value in the social life of the country.

I was rather interested to hear the suggestion of the hon. Member for Mid-Bedfordshire when he appealed to the Minister to hand on some sort of recommendation to the Import Duties Advisory Committee for the increase of the duty upon baskets. I was equally interested to hear the hon. Member for Hereford who replied to the hon. Member for Mid-Bedfordshire. It happens that those two hon. Members represent two different phases of agriculture, and that a heavy duty upon imported baskets, or upon the raw material, would obviously suit the hon. Member for Mid-Bedfordshire, while it would not suit the hon. Member for Hereford. What is one man's meat is the other fellow's poison. I suggest to the hon. Gentlemen that they argue the matter outside the Chamber, and that they give the Minister the benefit of their conclusions after a very healthy debate. If they rely, as the hon. Member for Hereford suggested, wholly and solely upon Protection, I am sure that they will not get even the support of the Minister. Protection is not a policy; it is a means of escape from producing a policy.

To re-establish a happy, vigorous, contented village life we have to do something much more than merely provide protection for agriculture. The hon. Gentleman who introduced this Motion suggested that the landowners' associations of this country, who were now doing great things in the production of timber and were organising themselves efficiently for the purpose of selling that timber, wanted protection and assistance from the Import Duties Advisory Committee. I hope that the right hon. Gentleman and the Committee will remember that there are many other industries in this country that are not very prosperous, and that to impose a duty upon timber—such as, for instance, upon pit-props—would hit very heavily such already sorely depressed industries as the mining industry.

We welcome the Motion. We think that the intention and the purpose of it, apart from the protective suggestions that have been made, have been of real value. We are glad to note the development in the education of hon. and right hon. Gentlemen opposite. We are pleased to note that in 1933 they recognise that the lop-sidedness of things has become a positive danger to the State. If this Debate finds its way into the minds of those responsible at the Ministry of Agriculture and in other Government Departments, and they will set themselves the duty of trying to re-arrange our economic life, giving the countryside a much better chance than it has had in the past without imposing a heavy burden upon the rest of the community, I, and I believe my party, will think that this Debate has been useful.

10.45 p.m.

Mr. GLOSSOP: I intervene for a few moments because I think that the subject of this Motion is bound up entirely with the Government's policy as regards the restoration of prosperity to agriculture. For years this House and the people of this country, if not directly, have indirectly sneered at those who have to make their living out of the land. There has been among the masses of the people of this country during the last century an atmosphere that the people who live on the land are inferior, that they are not of such great intelligence as those who live in the towns. In view of the Government's policy with regard to agriculture at the present time, it is essential to let the country people know that at least we realise that those who live in these rural areas of our great country are the backbone, and will largely be the salvation, of the country in the future.

I was delighted to hear the Minister remark on the value of the wireless. It has done and is doing a great deal towards developing the rural mind and making the rural people conscious of

[Mr. Glossop.]

their own position and importance in the make-up of the country. There has been in the past a feeling among country people that, because they speak with a certain type of dialect, they were uneducated, but I think that the British Broadcasting Corporation, in broadcasting, as they have from time to time, plays in the dialect of different parts of the country, have made those people realise that there is something real and vital behind their dialect and customs in their own local villages.

The Minister referred to the village smith and the saddler. I think that my right hon. Friend has only come to the rescue just in time, because we have seen during the last 10 years almost the extinction of the real village smith and the real country saddler. Those of us who have farms of our own know the difficulty that there is now in getting good saddlery work done, because so many of the saddlers have gone out of business. That has not been because the saddler or the blacksmith did not make excellent articles, but because, owing to the depression which has pervaded the agricultural industry, farmers and others have been compelled to buy agricultural implements and saddlery made in the factory, which are not nearly as good as those made by the local smith or the local saddler. Only on Monday, on my own farm, I had an illustration of the superior work of the village smith as compared with the work of a large manufacturing foundry. I was following a pair of harrows which had not had their teeth reset since 1926, and yet to-day those teeth are almost as sharp as they were some seven years ago. That particular set of harrows was made by the village blacksmith, at a larger cost, I admit, than that at which I could have bought them from a foundry, but the harrows made in the local smithy were of a much more durable quality than those which could be bought elsewhere. While the Minister has recognised the importance of the village smith and the village saddler, his bold lead with regard to the development of agriculture has only just come in time, if in time, to save those two important factors in rural life.

I want to refer to another rural industry which I think is a very important one, namely, the bee-keeping industry. Hon. Members may know that bees are good for rheumatism. Bees kept on a farm or market garden are of the utmost importance, not only for bringing in a small revenue from the sale of honey, but for the fertilisation of flowers and fruit. The bee industry, capable as it is of very large development, has been very much neglected in the past. There has been little or no encouragement to the man who desires to keep his apiary free from disease. He often finds that although he fumigates his hives and keeps his stock in a really healthy condition, he finds perhaps that his neighbour half-a-mile away who is losing bees as a result of Isle of Wight disease, has never taken even the trouble to fumigate his hives or close the shutters in front of the hives. Small in the aggregate as is the importance of the bee industry, it is one which is capable of considerable expansion. One factor which is playing an important part in developing the minds of the rural workers and people who live in the villages is the libraries introduced by the county councils, and which enable the people of the villages to read really good books and novels. I cannot think of any better way of making the rural people appreciate their position and their importance in the country and realise what an enormous tradition there is behind the agricultural people of this country than that they should perhaps take from the shelves of these libraries a book called "Roots," dealing with a Yorkshire agricultural family, a book which, even in these difficult times, should stimulate every person engaged on the soil.

In conclusion, I want to deal with one point touched upon by the hon. and gallant Member for Newbury (Brigadier-General Clifton Brown) and susequent speakers, the question of education in our rural schools. I do think we might do something to try to interest the children at our rural schools in some of the farm machinery which we hope they will be able to utilise and work alongside when they leave school. I am not one who is opposed to the money which this country is spending on education. I am concerned that we should spend it to the best possible advantage of the individual and the country as a whole. I cannot help thinking, however, that Morris dances and painting are of little use to the potential farm labourer and that it would improve his mind very much better if he was taught the parts of a plough and of various other agricultural implements I do think the county councils and education committees should encourage those school masters and school mistresses who desire to instruct their pupils in regard to practical agriculture during the years when they are at school. At the present time there is an enormous difficulty for the enterprising schoolmaster to get permission from the education authority to take his pupils, perhaps, over some neighbouring farm with a good deal of up-to-date machinery. I do hope the Minister will communicate with his right hon. Friend the Minister of Education to see if it is not possible for some encouragement to be given to schools to provide facilities to schools to go round farms in their neighbourhood.

I cannot help thinking that we are bound from an economic point of view to increase settlement on the land in this country. I believe that in the next year or two, when the policy of the Minister with regard to agriculture has had time to fructify, it will be possible for many more people to be occupied on the land. I believe that the increased settlement that we hope to see will be largely the small man, the smallholder, and I believe these persons must be adaptable to their jobs. However hard they work, however profitable the Minister can succeed in making their industry, it will be impossible for them to employ highly skilled workmen in the same way that the large farmer does. The smallholder, to make a success, must be able to do carpentry and repairs to farm machinery himself. If he has to start by getting outside labour, often at trade union rates, it will be impossible for him to carry on. For that reason, I stress that, when the Government are making everything possible for a large resettlement of people on the land, we should at the same time educate the rising generation in such a way that they will be able to make the fullest use of the opportunities that will be provided for them. I welcome the statement of the Minister and the importance that he attaches to the Motion.

Question put, and agreed to.

Resolved,

"That this House is of opinion that the encouragement of rural industries and the maintenance of a thriving and contented village life, together with a prosperous agriculture, are vital to this country, and urges His Majesty's Government to take every possible step in this direction."

COMPANIES ACT, 1929.

Sir ARTHUR MICHAEL SAMUEL: I beg to move,

"That this House, having been made aware of the losses sustained in recent years by private persons who have invested their savings in concerns organised under limited liability, requests the Government to set up a departmental committee to examine the provisions of the Companies Act, 1929, with a view to amending that Act so that in future the public may be protected against unscrupulous persons."

As the House is aware, the whole country has been shocked, at the wholesale collapse of companies a year or two ago. I move this Motion in order that the President of the Board of Trade may think fit, not to try to find reasons why he should not act but to find reasons why he should act. I do not know why there should be any opposition to the proposal that we should have a Departmental Committee to look into the matter. I have here a copy of the recognised organ of the chartered accountants which says:

"The accounting profession is strongly in favour of reforming company law on the ground that existing legislation has proved itself to be inadequate."

If we look forward to recovery in trade, it is necessary, as so many undertakings will be working under limited liability, that there shall be no more opportunity for unscrupulous persons to defraud the public as in the past. If the Board of Trade does not take some action, the public will hold it gravely to blame. I have heard dozens of questions put pointing out the very defects which we ask to have amended.

Mr. ALBERY: I beg to second the Motion.

It being Eleven of the Clock, the Debate stood adjourned.

The Orders of the Day were read, and postponed.

ADJOURNMENT.

Resolved, "That this House do now adjourn."—[*Sir F. Thomson.*]

Adjourned accordingly at One Minute after Eleven o'Clock.

HOUSE OF COMMONS.

Thursday, 16th March, 1933.

The House met at a Quarter before Three of the Clock, Mr. SPEAKER *in the Chair.*

ORAL ANSWERS TO QUESTIONS.

FLAX AND HEMP TRADE (WAGES).

1. **Colonel GOODMAN** asked the Minister of Labour whether he will give the House information as to the decisions arrived at by the flax and hemp trade board, Great Britain, with regard to the proposal to revise the rates of wages in the flax and hemp industry; what are the new rates decided upon; and by what sums will the new hourly and piece-work rates differ from those previously in operation for the various classes of workers?

The MINISTER of LABOUR (Sir Henry Betterton): My hon. Friend will find full information as to the proposed new minimum rates of wages in the flax and hemp trade in the statutory notice of their proposals issued by the trade board, of which I am sending him a copy.

UNEMPLOYMENT.

GOVERNMENT POLICY (WAGE SUBSIDY).

2. **Captain FULLER** asked the Minister of Labour if, in view of the successful efforts of the town council of Guildford in providing work for wages schemes, with a consequent saving to the Exchequer, he will state the difficulties which prevent the use of transitional payments to assist such schemes; and if his Department is considering how they can be overcome?

Sir H. BETTERTON: I would refer my hon. and gallant Friend to the reply which I gave on 13th March to the hon. Member for Deritend (Mr. Crooke) with regard to the proposals, of which a number have been suggested to me, for using unemployment pay as a subsidy to wages.

Captain FULLER: May I ask the right hon. Gentleman if this question is actually under earnest consideration?

Sir H. BETTERTON: It is not only under active, but under daily consideration.

TRANSITIONAL PAYMENTS.

3. **Mr. BATEY** asked the Minister of Labour if he is aware that the commissioners in the county of Durham are extending their operations where miners are living in colliery houses and reducing supplementary benefit on the grounds that they are not paying rent; and what action he proposes to take?

Sir H. BETTERTON: I would refer the hon. Member to the reply which I gave to a similar question on 23rd February.

Mr. BATEY: Has the Minister not given any re-consideration to the matter since then?

Sir H. BETTERTON: I think that that supplementary question is one which has been asked and answered before, and that the statement was made that it was a matter within the discretion of the commissioners, who are, no doubt, prepared to take all the circumstances into account.

4. **Mr. BATEY** asked the Minister of Labour the number of cases where supplementary benefit has been reduced and the number abolished up to the latest available date in the county of Durham; and the total amount of money saved and the total cost of the commissioners and their staff since the 1st December, 1932?

Sir H. BETTERTON: The latest available figures of determinations as to need given by the commissioners in Durham County for the period since their appointment were given in reply to a similar question by the hon. Member on 23rd February. It is estimated that the expenditure on transitional payments during the period from the beginning of December, 1932, up to 4th February, 1933, was about £50,000 less than if all the determinations current during the period had been given by the public assistance committee in accordance with their practice prior to December. The total cost of the commissioners and their staff from 1st December, 1932, to 31st January, 1933, was about £9,350 in addition to non-recurrent charges amounting to £2,085.

Mr. BATEY: Does the Minister remember that the former figures were only up to 7th February, and that it is now 16th March; and surely it is possible to give another month's figures?

Sir H. BETTERTON: I have made inquiries on that point. I am told that these figures are taken out every month, but we have not yet got later figures than those which I have given. I am expecting them every day, and the moment I get them I shall be willing to inform the hon. Member of them.

Mr. BATEY: I will put down the question next week.

5. **Mr. BATEY** asked the Minister of Labour whether, in view of recent cases where the county of Durham Commissioners have reduced transitional payments to the extent of the whole of the applicant's War pension (instead of the 50 per cent. allowed by the Act) or by a large proportion of widow's pensions that come into the home, he will state what action he proposes to take?

Sir H. BETTERTON: As regards disability pensions, I am assured that the Commissioners are complying fully with the requirements of the Determination of Need Act. As regards widows' pensions, these are not subject to special statutory provisions and must therefore be taken into account, but I have no reason to believe that in dealing with cases where such income is present the Commissioners do not pay full regard to all the circumstances of the case.

Mr. BATEY: If I supply the Minister with the name and address of a man, with four years' War service, whose benefit has been reduced by the whole amount of the War pension, will he look into that case?

Sir H. BETTERTON: If the hon. Member has any such case, perhaps he will send it to me.

6. **Sir PERCY HARRIS** asked the Minister of Labour whether he is aware that public assistance committees, in the administration of the means test, are refusing to make allowances for the payment of premiums on endowment policies; whether this has been recommended by the Ministry of Labour; and, if not, whether he proposes to take any action in the matter?

Sir H. BETTERTON: This is not a matter upon which it would be competent for me to make any recommendation. It is for the authority concerned to decide in any particular case how far they are justified when determining the needs of a household in treating as necessary outgoings expenses outside the ordinary requirements of maintenance.

Sir P. HARRIS: From the information which is available, can the Minister say whether this practice is general throughout the country?

Sir H. BETTERTON: No, I cannot, but I think that the information required by the hon. Member is information for which he ought to ask the Ministry of Health. I have not got it.

Mr. T. WILLIAMS: If these determinations are based upon an absolute destitution test, can the right hon. Gentleman state how the persons referred to could afford any such thing as endowment insurance premiums?

Sir H. BETTERTON: Of course I do not accept that phrase "destitution test," but, again, if hon. Members ask me for information of that kind, the only answer that I can give is that it is not within my province, and I have not got it.

Mr. WILLIAMS: But if such cases do exist, would the right hon. Gentleman intervene, to see that these people are not deprived of the payment?

Sir H. BETTERTON: There, again, I have no power to intervene in any case. This is a matter, I understand, within the purview and authority of the public assistance committee.

10. **Mr. SMEDLEY CROOKE** asked the Minister of Labour the number of disabled men that were receiving transitional payment at the last convenient date; and, of that number, how many were in receipt of a disability pension of 70 per cent. or under?

Sir H. BETTERTON: There are no separate statistics showing the number of disabled men drawing transitional payments. The figures only show the total number of men and women, respectively, with applications for transitional payments.

16. **Mr. T. WILLIAMS** asked the Minister of Labour whether further inquiries have been made into the administration of transitional payments by the West Riding, Yorks, public assistance committee with regard to gross and nett earnings; and if he will state the nature of the reply?

Sir H. BETTERTON: This is a matter for decision by the public assistance authority, who I am informed, have their basis of assessment under review at the present time.

Mr. WILLIAMS: Is the Minister aware that for three months the West Riding Public Assistance Committee have been applying a scale based upon gross earnings, which, in mining areas, means actually more than double the amounts received by mine-workers?

Sir H. BETTERTON: I was not aware of that, but, if the hon. Member states it as a question of fact, of course I accept it. My answer is that the authority have their basis of assessment under review at the moment.

28. **Mr. T. WILLIAMS** asked the Minister of Labour the number of claims for transitional payment considered, and the number refused, during the last two months of 1932 and the first two months of this year in the Don Valley and Rother Valley areas, respectively?

Sir H. BETTERTON: It is not the practice to compile these figures except for authority areas, but I will see whether I can obtain the figures for the separate Committee areas for which the hon. Member asks, and will communicate with him.

25 and 26. **Mr. COVE** (*for* **Mr. ANEURIN BEVAN**) asked the Minister of Labour (1), how many of the unemployed persons of the ages 18 to 20 have had their transitional payment reduced on account of family income;

(2), how many heads of families in receipt of transitional payment have had the payment reduced on account of wages earned by children of the family?

Sir H. BETTERTON: I regret that statistics giving the information desired are not available.

27. **Mr. PRICE** asked the Minister of Labour how many of the 248,408 unemployed persons of the ages 18 to 20 have exhausted their right to unemployment benefit and are in receipt of transitional payment?

Sir H. BETTERTON: Of th 248,408 unemployed persons aged 18 to 20 on the registers of Employment Exchanges in Great Britain at 20th February, 1933, 55,556 had applications authorised for transitional payments.

SUBSISTENCE STANDARD (ESTIMATES).

7. **Mr. MANDER** asked the Minister of Labour whether any recent scientific investigation has taken place into the weekly sum of money required for the maintenance of life on a reasonable standard of subsistence; and, if so, what relation this bears to the allowances at present being made under the means test?

Sir H. BETTERTON: Certain unofficial estimates of the sum necessary to provide for hypothetical standards of living have, I believe, been made from time to time but I am unable to express an opinion as to how far the various standards adopted would meet with acceptance as being reasonable.

Mr. MANDER: Does not my right hon. Friend think that information of this kind would be extremely valuable to the House in view of impending legislation?

Sir NICHOLAS GRATTAN-DOYLE: May I ask whether it is not perfectly futile to put down a question of this kind?

Sir H. BETTERTON: The answer which I was about to give to the first supplementary question, though in different language, would have been on somewhat the same lines as the second supplementary question.

Mr. MANDER: But is it not a fact that it might not be equally futile to put such a question to another type of Government?

STATE-ASSISTED SCHEMES.

13. **Mr. COVE** asked the Minister of Labour the number of individuals directly employed since October, 1931, on schemes of employment initiated by the Government?

15. **Mr. A. BEVAN** asked the Minister of Labour the number of persons at pre-

sent directly engaged on employment schemes sanctioned by the Government and the cost involved?

Sir H. BETTERTON: The average number of persons directly employed on the main classes of State-assisted schemes for the relief of unemployment over the period October, 1931, to January, 1933, was about 72,000. The number directly employed at the end of January, 1933, was 39,113. The total value of the schemes in operation at the latter date is not readily available, but in any case the hon. Member will appreciate that there would be no direct connection between this figure and the number of men employed at a particular date.

Sir P. HARRIS: Do these figures indicate that the Government policy has resulted in about 30,000 fewer being employed?

Sir H. BETTERTON: No, Sir, I do not for a moment admit that; and it may well be that, if the former policy were still being continued, further men would be thrown out of work.

18. **Dr. JOHN WILLIAMS** asked the Minister of Labour the amount expended on works receiving Government grants in the Wales division for each of the last five years; and the number of people who have been given direct employment on these operations?

Sir H. BETTERTON: I am making inquiries and will communicate with the hon. Member as early as possible.

TRAINEES.

14. **Mr. COVE** asked the Minister of Labour the number of unemployed persons who have received training in residential centres from the Aberavon division during the past 12 months; and the number who have secured jobs for which they were trained?

Sir H. BETTERTON: I am looking into the points raised by the hon. Member and will let him have a reply as soon as possible.

17. **Mr. DAVID GRENFELL** asked the Minister of Labour the cost of maintaining trainees in centres such as that at Presteign; and whether he can give figures to show what proportion of the trainees were found employment on leaving the centre?

Sir H. BETTERTON: The cost of training at an instructional centre is approximately 14s. 6d. per trainee per week excluding travelling expenses, capital charges and the amount of any insurance benefit or transitional payments to which the trainee is entitled. Until about a year ago, it was the policy to limit the accommodation at these centres to the number for whom subsequent employment could reasonably be guaranteed and the percentage of placing was 80 per cent. or more. The present policy is to regard the primary object of these centres as that of counteracting the effects of long-continued unemployment, and the percentage of placing has materially fallen and is now round about 20 per cent. The hon. Member will appreciate that a maintenance of the former policy would have made it necessary to reduce drastically the numbers admitted to the centres.

IRON, STEEL AND TINPLATE INDUSTRIES.

19. **Dr. J. WILLIAMS** asked the Minister of Labour the number of insured female workers in the iron, steel and tin plate industries and the percentage of unemployed among female workers in these industries as compared with that obtaining in other industries in the United Kingdom?

Sir H. BETTERTON: The estimated numbers of insured female workers in the iron and steel and tinplate industries and in each of 100 other industry groups at July, 1932, and the percentages unemployed at 23rd January, 1933, will be found on pages 62 and 63 of the Ministry of Labour Gazette for February, 1933. Corresponding percentage figures for 20th February, 1933, will be given in the March issue of the Gazette to be published on 18th instant.

Mr. D. GRENFELL: Will they show the geographical distribution of unemployment? Will they show, for example, that there is more unemployment in South Wales as compared with the Midlands?

Sir H. BETTERTON: That is always done.

JUVENILES.

20. **Dr. J. WILLIAMS** asked the Minister of Labour the number of young persons under 21 years of age who are unemployed in the Wales division, the percentage of unemployment of young

[Dr. Williams.]
people of both sexes, and the number of young persons who have become eligible for transitional payment?

Sir H. BETTERTON: As the reply includes a table of figures I will, if I may, circulate a statement in the OFFICIAL REPORT.

Following is the statement:

Insured persons under 21 years of age recorded as unemployed in Wales Division at 20th February, 1933.

—	Aged 16 and under 18.*		Aged 18 and under 21.	
	Males.	Females.	Males.	Females.
Number unemployed	3,052	1,393	13,684	3,705
Precentage unemployed	9·6	14·2	28·0	24·8
Number with applications authorised for transitional payments.	—	—	6,020	564

* Persons under 18 years of age are not eligible for transitional payments

24. **Mr. COVE** asked the Minister of Labour if he can state how many of the unemployed juveniles of 16 and 17 years of age have never had employment since reaching insurable age?

Sir H. BETTERTON: I regret that statistics giving the information desired are not available.

Mr. COVE: Will the right hon. Gentleman take action in order to secure them?

Sir H. BETTERTON: These figures have never at any time, by any Government, been tabulated in the way asked for, and I am told that to give them would involve very laborious inquiries, but the next time we have a special inquiry on any matter, I will see whether I cannot have a sample case which would give the hon. Gentleman some indication in the direction desired.

Mr. COVE: Is the right hon. Gentleman not aware that in a number of areas there is an impression that a large number of these boys have no work at all, and therefore that they are providing a serious social problem?

Sir H. BETTERTON: It is a serious problem, and I have no doubt that what the hon. Member says is true.

Mr. LUNN: Is the right hon. Gentleman aware that 450,000 boys and girls leave school in every school year, according to an answer given to me the other day, and are the Government taking any steps to see that either their education is continued or something is done to find them employment?

Sir H. BETTERTON: With regard to the first question, the figures are substantially accurate. In fact, I gave them myself the other day. The whole question of what we can do and should do with regard to juveniles is at present under active consideration.

Mr. COVE: Does the right hon. Gentleman not agree that it would be far better to raise the school-leaving age than to have the children permanently and totally unemployed?

Sir H. BETTERTON: The hon. Gentleman should not address questions with regard to the school-leaving age to me.

Mr. COVE: But the right hon. Gentleman is a Member of the Government.

Seamen.

21. **Mr. LOGAN** asked the Minister of Labour how many British seamen, including all sea-going persons other than fishermen, are unemployed at the present time or at the latest convenient date, and the number in June, 1932?

Sir H. BETTERTON: The number of unemployed seamen, aged 18 and over, on the registers of Employment Exchanges in Great Britain was 42,587 at 23rd January, 1933, and 37,882 at 25th July, 1932. Separate statistics in respect of seamen of British nationality are not available.

Mr. LOGAN: Is the right hon. Gentleman acting in collaboration with the Board of Trade in respect of this unemployment?

Sir H. BETTERTON: I am constantly in touch with my colleagues on this and other matters.

Mr. LOGAN: Has there been any deliberation with regard to unemployment in the British Mercantile Marine, in view of the fact that foreigners are employed while British seamen are unemployed?

Sir H. BETTERTON: That matter and similar matters are constantly under review between the Departments of the Government.

Mr. HERBERT WILLIAMS: Can my right hon. Friend say to what extent unemployment among seamen is due to the fact that they sign the register between the conclusion of one voyage and the commencement of the next, even though they know definitely that they are going on the same ship on its next voyage?

Mr. LOGAN: Will the right hon. Gentleman also state how it affects the city of Liverpool as regards tariffs?

TRAINING CAMPS (WALES).

29. **Mr. D. GRENFELL** asked the Minister of Labour whether he will consider the possibility of establishing training camps in Wales under conditions similar to those proposed for the Kielder estate in Northumberland?

Sir H. BETTERTON: I have this under consideration.

LOCAL AUTHORITIES' SCHEMES.

41, 42 and 43. **Mr. ROBINSON** asked the Minister of Health (1) whether any cases have been brought to his notice in which grants have been sanctioned for local authorities' schemes where British materials have been specified and where the specification has been altered after the sanctioning of grants so as to substitute foreign material for British;

(2) what steps he has taken to ensure that British materials are used in schemes sanctioned by the Ministry of Health since the issue of Circular 1060 of December, 1929;

(3) whether he is satisfied that local authorities are loyally observing the condition as to the use of British materials laid down in Circular 1060 of December, 1929?

The MINISTER of HEALTH (Sir Hilton Young): I have no reason to think that local authorities are not generally acting in accordance with this circular or that any further circular is called for. Where a local authority applies for my sanction to a loan and I become aware that they propose to use foreign materials, I satisfy myself as to the circumstances and conditions of proposal before the loan is sanctioned. Consent to alterations in a specification has been given in a few cases where Government grant has been sanctioned, and good cause was shown for the use of foreign materials in place of British.

Mr. ROBINSON: Will the right hon. Gentleman consider withdrawing the Ministry's grant in cases where Circular 1060 is not observed?

Sir H. YOUNG: I do not think that any general action of that sort would be justified, because all cases have to be considered on the merits of their conditions in relation to the two considerations.

Mr. LUNN: Can the right hon. Gentleman say what grants are being made to local authorities to provide employment involving either the use of foreign materials or British materials?

49. **Mr. LEVY** asked the Minister of Health if he will consider sending a circular to the local authorities stating that schemes of work of a revenue-producing character are favourably regarded by the Government and inviting them to prepare such schemes?

Sir H. YOUNG: I do not think any further communication to local authorities is required having regard to the full statement which I made in the House on the 15th ultimo.

Mr. LEVY: Is the right hon. Gentleman aware that the impression among local authorities is that expenditure of all kinds is not encouraged, and does he not think that it is important and necessary that he should correct that impression?

Sir H. YOUNG: I do not think that, as a matter of fact, that is now the case. I think that the actual state of affairs is now well known to the local authorities owing to the recent pronouncements on the subject.

Sir FRANCIS FREMANTLE: Will the right hon. Gentleman consider whether he cannot in regard to such schemes as this point the attention of county councils to the fact that in some cases they can do work which has been considered hitherto the work of the district councils?

WORK SCHEMES.

46. **Mr. LIDDALL** asked the Prime Minister if he can state what scheme for an extension of electric lighting facilities or national water and sewage schemes have been considered by the committee of business men set up to advise the Government in these matters?

The LORD PRESIDENT of the COUNCIL (Mr. Baldwin): Particular proposals relating to these services are dealt with by the appropriate Government Departments. No point has arisen in connection with matters of this kind on which it has been necessary to consult the business men referred to.

Sir P. HARRIS: Can the right hon. Gentleman say who are the business men referred to?

Mr. BALDWIN: I should require a separate question on that point.

HEALTH INSURANCE BENEFITS.

48. **Mr. BANFIELD** asked the Minister of Health whether he is aware that in June next many unemployed persons will be in arrears as members of their approved societies under the National Health Insurance Acts; that sums up to 18s. will have to be paid to clear these arrears; that in many cases payment of these arrears will not entitle the persons concerned to health benefits on account of not having been employed for a considerable time in an insurable occupation; and that, owing to the complexity of the law, many of them are ignorant of their position; and whether he will take steps to avoid the hardship which will follow?

Sir H. YOUNG: The cases to which the hon. Member refers arise under the provisions of the National Health Insurance Act, 1932. These were fully explained when the Bill was before the House and all insured persons were informed of the changes by a leaflet issued at the end of last year. All possible steps are being taken to ease the position for the insured persons affected, and arrangements have been made under which arrears due to unemployment may be redeemed by instalments at any time from now to the end of November next.

Mr. BANFIELD: Does not the right hon. Gentleman realise that many of these people believe that by paying these arrears they will be entitled to benefits, and that many of them are ignorant of the fact that it would not so entitle them?

Sir H. YOUNG: That is not so in the common case.

ALLOTMENTS AND SEED SUPPLIES.

63. **Mr. GRAHAM WHITE** asked the Minister of Agriculture if it is now his intention to withdraw the restrictions under which local authorities cannot avail themselves of Sections 14 and 16 of the Agricultural Land (Utilisation) Act, 1931, authorising him to defray losses incurred thereunder by local authorities in providing allotment gardens for unemployed persons and in making grants for assisting in the provision of seeds, fertilisers, and equipment for unemployed persons?

The MINISTER of AGRICULTURE (Major Elliot): The Government decided on grounds of economy that no funds could be provided for the purpose of operating the Sections referred to, and I fear that that decision must still be maintained. I would, however, remind the hon. Member that a grant is being made from the Development Fund to the Society of Friends to supplement funds obtained by that society for the purpose of aiding the supply of seeds, fertilisers and implements to unemployed and partly employed persons cultivating allotments.

Mr. T. WILLIAMS: Seeing that we now have approximately 350,000 more persons unemployed than 18 months ago, cannot the right hon. Gentleman reconsider this question?

OCCUPATIONAL CENTRES (WIRELESS SETS).

78. **Captain SPENCER** asked the Postmaster-General if he is aware that charitable organisations and individuals are providing free wireless sets for use in

unemployed occupational centres; and if he is prepared to remit the licence duty in such cases?

The ASSISTANT POSTMASTER-GENERAL (Sir Ernest Bennett): The Broadcasting Committee, 1925, considered the question of the grant of free wireless licences, and recommended that this concession be made to blind persons only. Effect was given to the committee's recommendation by the Wireless Telegraphy (Blind Persons Facilities) Act, 1926. My right hon. Friend regrets that he would not feel justified in asking Parliament to extend the concession to other classes of the community.

ROYAL COMMISSION (RECOMMENDATIONS).

8. **Mr. BATEY** (*for* **Mr. LAWSON**) asked the Minister of Labour if he is yet in a position to state when the new Unemployment Insurance Bill will be introduced, or if he can give any indication as to the present position in respect to this matter?

Sir H. BETTERTON: I would refer the hon. Member to the reply given on Tuesday by the Lord President of the Council to the hon. Member for Durham (Mr. McKeag).

GOVERNMENT POLICY.

9. **Mr. BATEY** (*for* **Mr. LAWSON**) asked the Minister of Labour whether he is now in a position to state the Government's plans for engaging the unemployed on schemes of work?

Sir H. BETTERTON: I would refer the hon. Member to the statement of Government policy made in the course of the Debate on 16th February.

PRISONERS (SECOND DIVISION).

30 and 31. **Brigadier-General SPEARS** asked the Secretary of State for the Home Department (1) whether the rules governing the treatment of prisoners in the second division are exhibited in the cells of second division prisoners in Wormwood Scrubs Prison and any other prisons receiving second division prisoners; and, if not, whether he will take steps to ensure that this is done;

(2) what provision is made at Wormwood Scrubs Prison for the separation of second division prisoners from prisoners sentenced to hard labour or simple imprisonment and not in the second division?

The SECRETARY of STATE for the HOME DEPARTMENT (Sir John Gilmour): The second division is intended to provide for the separation of prisoners of previously good character from those of depraved or criminal habits. No prisoners of the latter class are sent to Wormwood Scrubs, which is specially set apart for men of previously good character. Separation of second division prisoners from others who have not been placed in that division by the court is therefore unnecessary at that prison, and the treatment of all prisoners there is more favourable than it is possible to provide for second division prisoners elsewhere. The usual cell card of rules relating to the second division is therefore superfluous at Wormwood Scrubs and has been replaced by a special card based on the system in force at that prison.

TRANSPORT.

MOTOR DRIVERS' HOURS.

33. **Mr. LLEWELLYN-JONES** asked the Home Secretary the number of prosecutions and convictions, respectively, for the years 1931 and 1932 in England and Wales for offences against Section 19 of the Road Traffic Act, 1930, which provides for a limitation of time for which drivers of certain vehicles may remain continuously on duty?

Sir J. GILMOUR: No figures are available for the country as a whole, as the annual returns made by the police do not deal separately with this class of offence. In the Metropolitan Police District there were no prosecutions in the nine months of 1931 during which Section 19 was in force. In 1932, prosecutions were instituted and convictions obtained against one limited company and six individuals.

Mr. LLEWELLYN-JONES: Is the right hon. Gentleman aware that a large number of very serious accidents, including fatal accidents, are due to the contravention of this Section of the Act of 1930, and will he take steps with a view to seeing whether the Act is complied with?

Sir J. GILMOUR: Yes; I am sure that that is kept in mind by the authorities.

70 and 71. **Mr. LESLIE BOYCE** asked the Minister of Transport (1) whether he is aware of the fatal accident which occurred recently at Kilndown, Kent, in which the driver of a lorry which fell down a bank was killed; whether he is aware that the man had been at work for 54 out of 98 hours; and what measures he proposes to introduce to render more effective the provisions of Section 19 of the Road Traffic Act, 1930;

(2) whether his attention has been called to an accident at Eastriggs on 17th February, when a lorry crashed through a railway fence and was run into by a train; and whether, as the driver of the lorry had been at work continuously for a number of hours in excess of the legal maximum and in view of other such accidents, he will take steps to bring about a more strict observance of the law relating to the hours worked by motor drivers?

The PARLIAMENTARY SECRETARY to the MINISTRY of TRANSPORT (Lieut.-Colonel Headlam): The two accidents to which he refers have been brought to my notice and have been the subject of special inquiries by the police. I am in communication with my right hon. Friend, the Home Secretary, in regard to these cases. As regards the provisions of Section 19 of the Road Traffic Act, 1930, relating to the hours of employment of drivers of heavy vehicles, a statement has already been made by the Government that the question of providing more effective means for the enforcement of this and other requirements of the Act is under consideration in connection with the Bill which will shortly be introduced for the better regulation and control of the transport of goods by road.

73. **Mr. PARKINSON** asked the Minister of Transport whether, in view of the present lack of observance of Section 19 of the Road Traffic Act by the owners and drivers of commercial motor vehicles, he will amend this Section of the Act in the proposed legislation for the better regulation and control of goods transport by road; and if he will consult with the representatives of the employers and the employés on the whole question of the conditions under which Section 19 of the Road Traffic Act is now operating?

Lieut.-Colonel HEADLAM: I agree that Section 19 of the Road Traffic Act, 1930, is difficult of enforcement, and that its provisions, as well as certain other requirements of the Act, are frequently disregarded by the less scrupulous type of operator, particularly on the goods side of the road transport industry. As I have already stated, this aspect of the problem is under consideration in connection with the Bill which the Government propose to introduce in the near future. I am ready at any time to receive joint representations on the part of employers and employed with regard to the operation of the Section, and I understand that a conference has in fact already been arranged with certain representatives of the passenger side of the industry.

Mr. PARKINSON: Will the hon. and gallant Gentleman in the meantime exercise stricter supervision under Section 19, in view of the fact that we find that flagrant breaches of that Section are taking place?

Lieut.-Colonel HEADLAM: I can assure the hon. Member that that supervision is being exercised at the present time.

ROAD TRAFFIC REGULATIONS.

75. **Mr. LLEWELLYN-JONES** asked the Minister of Transport if he will give the names of the representative organisations which he has consulted before making regulations under the Road Traffic Act, 1930, in pursuance of Section 111 (2) of the Act; what meetings or conferences of representatives of such organisations have been called by him; and what the total cost of such meetings or conferences has been up to the 31st December, 1932?

Lieut.-Colonel HEADLAM: Every effort is made by my Department to give full effect to Section 111 (2) of the Road Traffic Act, 1930, by consultation before regulations are made with all representative organisations whose interests are likely to be affected. This consultation takes place either by correspondence or by conferences whichever may be more convenient. It forms part of the ordinary duties of my Department and does not entail any special expenditure. The preparation of a list of all the numerous organisations consulted and of the occasions on which consultation has taken place would involve a good deal of labour, but if the hon. Member has in mind any case where he considers that adequate consultation has not taken place and will give me particulars, I will look into the matter.

Mr. LLEWELLYN-JONES: Is it not in the interests of this House, and the public generally, that they should be aware as to what organisations are consulted by the Minister of Transport before these regulations are made, and will he not take steps to furnish a report or memorandum giving a list of the organisations which have been consulted?

Lieut.-Colonel HEADLAM: I do not think that any such list would be of much use to the House. I can tell my hon. Friend that there are a very large number of these bodies, and they are the most obvious bodies that should be consulted in the mater. To give him examples, the Association of Motor Manufacturers and Traders, the Commercial Motor Users Association, and the Cyclists Touring Club have been consulted, among others.

Mr. LLEWELLYN-JONES: Can the hon. and gallant Gentleman say how far organisations connected with the general public, apart from trading organisations, have been consulted?

EDUCATION (CONTINUATION SCHOOLS).

36. **Mr. LLEWELLYN-JONES** asked the Parliamentary Secretary to the Board of Education how many local education authorities in England and Wales have taken steps to establish continuation schools for young persons in accordance with the provisions of Section 75 of the Education Act, 1921?

The PARLIAMENTARY SECRETARY to the BOARD of EDUCATION (Mr. Ramsbotham): After the passing of the Education Act, 1918, a few local education authorities established compulsory day continuation schools for young persons in accordance with the provisions of the Act, but subsequently discontinued the provision of such schools. At the present time there is only one local education authority in England and Wales which conducts such a school.

Mr. LLEWELLYN-JONES: Will the hon. Gentleman kindly inform me which authority that is?

Mr. RAMSBOTHAM: The name of the authority is Rugby.

Mr. LLEWELLYN-JONES: Is it not appreciated that the setting-up of these continuation schools is largely imperative at the present time, having regard to the large amount of unemployment among young people in the country?

Mr. RAMSBOTHAM: The Section of the Act authorises continuation schools for all young persons, whether employed or unemployed. It is not confined to the training and education of the unemployed only. If it were a mater of legislation, it would be a matter primarily concerning my right hon. Friend the Minister of Labour.

Sir P. HARRIS: Can the hon. Gentleman say why places like Plymouth have abandoned their continuation school scheme? Was it due to pressure from the Board?

Mr. RAMSBOTHAM: As far as I know, it was abandoned mainly because of the expense involved.

Mr. COVE: Do I understand that this is entirely a matter for the Minister of Labour? Would the hon. Gentleman not agree that it is a matter for co-operative consideration between the two Departments?

Mr. RAMSBOTHAM: I said "primarily."

Mr. LUNN: Is the Department of the hon. Gentleman considering the question of extending these schemes to the children of the unemployed?

Mr. RAMSBOTHAM: A certain amount is being done, as the hon. Gentleman knows, in connection with the training and education of young persons, but as things are, if compulsory day continuation schools were to be applied under the Act, they would have to be applied to all young persons leaving elementary schools.

NATIONAL HEALTH INSURANCE.

40. **Mr. D. GRENFELL** asked the Minister of Health whether, in connection with any forthcoming extension of

[Mr. Grenfell.]

voluntary contributions to National Health Insurance and in view of the large numbers of previous contributors who have been forced to leave insurable occupations, he will consider giving to them an opportunity to regain membership by payment of voluntary contributions, as was provided in the Act of 1925, for the provision of widows' and orphans' old age pension benefit to insured contributors?

Sir H. YOUNG: No extension of the scope of voluntary insurance under the National Health Insurance Acts is in prospect, and therefore the remainder of the question does not arise. The persons to whom the hon. Member refers have for the most part already had an opportunity of becoming voluntary contributors under existing legislation.

Mr. GRENFELL: In view of the passage of time since that date, is the right hon. Gentleman aware of the widespread sense of injustice that prevails and of the ground for that feeling, and will he not move it forward five or six years?

Sir H. YOUNG: I do not quite follow the grievance to which the hon. Gentleman refers, but perhaps he will be good enough to communicate with me, and I will give it my most careful consideration.

HOUSING (RURAL WORKERS).

44. **Mr. LENNOX-BOYD** asked the Minister of Health whether he has further explored and, if so, with what result the recommendation in the Report of the Committee on Local Expenditure that the administration of the Housing (Rural Workers) Acts, 1926 and 1931, should be placed in the hands of rural district councils?

Sir H. YOUNG: As I explained on the Second Reading of the Housing (Financial Provisions) Bill now before Parliament, I propose to give sympathetic consideration to any application by a rural district council for authority to administer this Act, if it appears that this course will lead to a greater use of the powers of the Act.

47. **Sir PERCY HURD** asked the Minister of Health whether the contribution of £1 per house payable by a county council under Section 34 (2) of the Housing Act, 1930, towards the provision of a house for a member of the agricultural population in a rural district applies to the case of re-housing under a clearance or improvement scheme; what in that event is the total weekly rent equivalent of the assistance obtainable under the Act for slum clearance; and whether means will be taken to make this position more widely known among county and district authorities?

Sir H. YOUNG: The reply to the first and third parts of the question is in the affirmative. For each three-bedroomed house provided under the Act the total of the contributions under the Act is approximately equivalent to a weekly sum of 5s. If the house is in an agricultural parish the weekly equivalent is 5s. 6d.

Sir P. HURD: Will the right hon. Gentleman reply to the last paragraph of my question?

Sir H. YOUNG: All possible means are taken to call the attention of local authorities to these powers, but, as a matter of fact, I contemplate special measures to that end in the near future.

WORLD ECONOMIC CONFERENCE.

45. **Mr. LEVY** asked the Prime Minister, if he can now make a statement on the forthcoming Economic Conference?

Mr. BALDWIN: I would refer my hon. Friend to the statements made by my right hon. Friend the President of the Board of Trade yesterday in the course of the Debate on the Motion introduced by the hon. Member for East Birkenhead (Mr. White).

ROYAL SEAMEN'S PENSION FUND.

50. **Colonel ROPNER** asked the Minister of Health the total amount credited to the Royal Seamen's Pension Fund during the year 1932 out of contributions paid under the National Health and Unemployment Insurance Acts, showing in particular the amount paid by owners of fishing vessels, either exactly or as an approximate percentage of the whole sum?

Sir H. YOUNG: During the year 1932 the amount of £75,700 was credited to the Royal Seamen's Pension Fund out of contributions paid under the National Health and Unemployment Insurance Acts. I regret that no information is available as to what portion of this amount was paid by owners of fishing vessels.

51. **Colonel ROPNER** asked the Minister of Health the number of pensions granted each year by the Royal Seamen's Pension Fund from the date upon which the National Health Insurance Act, 1928, came into operation, distinguishing between seamen and fishermen?

Sir H. YOUNG: I am informed by the Governing Body of the Royal Seamen's Pension Fund that the number of pensions awarded out of the fund in 1929 was 1,995, of which 932 were granted to fishermen. In 1930, 1,233 pensions were awarded, 403 being granted to fishermen, while in 1931, 1,468 pensions were awarded, 415 being to fishermen. In 1932, out of a total of 800 awards, the number granted to fishermen was 221.

Sir MURDOCH McKENZIE WOOD: Does not the right hon. Gentleman think that it is misleading to give figures for the last five years instead of for the whole period during which this scheme has been in operation?

Sir H. YOUNG: These are the figures for which I was asked. I am quite prepared to give any further figures which the hon. Member desires.

52. **Colonel ROPNER** asked the Minister of Health whether he is aware that the National Health Insurance Act, 1924, specially empowers the governing body of the Royal Seamen's Pension Fund to give preference in the award of pensions to masters and seamen having long sea-service in foreign-going ships; and what steps are taken by his Department to ensure that these objects are fulfilled?

Sir H. YOUNG: The reply to the first part of the question is in the affirmative. With regard to the second part of the question, under the scheme for the administration of benefits out of the Royal Seamen's Pension Fund, which has been approved by the Board of Trade, the Ministry of Labour and the National Health Insurance Joint Committee, special provision is made to give preference to masters and seamen who have served in foreign-going ships over those who have served in other ships.

SEWER GAS.

53. **Mr. HUTCHISON** asked the Minister of Health whether local authorities are required to keep gas masks to be worn by employés descending into sewers where there is reasonable ground to expect the presence of gas; and, if not, whether he will suggest to all of them that these gas masks should be provided and used?

Sir H. YOUNG: The answer to the first part of the question is in the negative. I am advised that gas masks would not be effective in all cases of danger and that it is the practice to make tests before men descend into sewers. Having regard to the fatality recently reported in the Press, I propose to make further inquiry into the matter.

Mr. T. WILLIAMS: Will the right hon. Gentleman state what kind of test is made, and whether it is by an automatic gas detector or some other implement?

Sir H. YOUNG: Perhaps the hon. Member will give me notice of that question in order that I may deal with it in a satisfactory manner.

Mr. MANDER: Will the right hon. Gentleman bear in mind that the whole population of London will before long be requiring gas masks if the Disarmament Conference breaks down?

Sir N. GRATTAN-DOYLE: Will the right hon. Gentleman take steps to supply hon. Members with gas masks to protect them against the hon. Gentleman?

NATIONAL FINANCE.

BEER DUTY.

54. **Brigadier-General Sir HENRY CROFT** asked the Chancellor of the Exchequer the net revenue received from Customs Duties on beer for the 11 months ended February 1932, and for the 11 months ended February 1933; and the net receipts from excise duties on beer for the same period?

The CHANCELLOR of the EXCHEQUER (Mr. Chamberlain): As the

[Mr. Chamberlain.]
answer involves a table of figures, I will with my hon. and gallant Friend's permission, circulate it in the OFFICIAL REPORT.

Following is the answer:

The net amount of revenue received from the Customs and Excise Duties respectively on beer during the 11 months ended February in each of the years 1932 and 1933 was as follows:

——	11 months to February, 1932.	11 months to February, 1933.
	£	£
Customs ...	5,903,000	6,073,000*
Excise ...	64,006,000	63,388,000*
Total ...	69,909,000	69,461,000*

* Provisional figures.

55. **Sir H. CROFT** asked the Chancellor of the Exchequer whether he is aware that the profits of the brewing industry have fallen in the last calendar year by from 26 per cent. to 30 per cent. and that profits have still further declined as disclosed by interim dividends; and whether he will take steps to relieve the industry of the burden imposed by recent taxation?

Mr. CHAMBERLAIN: I am aware that declared profits in the brewing industry have fallen, but I must not be taken as necessarily accepting the figures quoted by my hon. and gallant Friend. As regards the second part of the question, my hon. and gallant Friend will not expect me to anticipate the Budget statement.

Sir H. CROFT: May I ask my right hon. Friend if the lower figure is the correct one, how long it will take before all profits disappear under the existing taxation?

INCOME TAX.

59. **Mr. LEVY** asked the Chancellor of the Exchequer what is the estimated cost of reducing the rate of Income Tax by sixpence and a shilling in the pound, respectively?

Mr. CHAMBERLAIN: I would refer my hon. Friend to the answer given to the hon. Member for Colchester (Mr. Lewis) on the 14th March last in reply to similar questions relating to certain Customs duties.

Mr. LEVY: Will the right hon. Gentleman give careful consideration, when framing his Budget, to the importance of the stimulating effect which a reduction of the tariff would have on trade and industry, and alternatively the very depressing effect of not making any reduction?

On a point of Order. By a slip of the tongue I understand that I mentioned the word "tariff." I intended to say "tax."

REVENUE (IMPORT DUTIES).

61. **Mr. WHITE** asked the Financial Secretary to the Treasury whether he will state the figures of revenue, to the last available date, in respect of foodstuffs, raw materials, partially manufactured and wholly manufactured articles?

The FINANCIAL SECRETARY to the TREASURY (Mr. Hore - Belisha): Separate figures are not available under all of these heads, but I will circulate in the OFFICIAL REPORT such information as it is possible to give. The hon. Member will appreciate that calculations, such as he requires, will take time to compile.

BEET-SUGAR SUBSIDY (COMMITTEE).

56. **Sir HERBERT SAMUEL** asked the Chancellor of the Exchequer when the Government propose to proceed with the appointment of the committee to inquire into the conditions of the United Kingdom sugar industry which was announced in his Budget speech in April, 1932; and whether this inquiry will be held and completed before any proposals are considered for a continuance of the beet-sugar subsidy when its statutory term expires in 1934?

Mr. CHAMBERLAIN: As I informed my hon. Friend the Member for the Henley Division (Sir G. Fox) on the 7th February, the beet-sugar and sugar-refining industries have been conferring with the object of submitting agreed proposals for the consideration of the Government. These proposals have now been received and are being examined. In the meantime I have thought it desirable to defer the appointment of the committee to which the right hon. Member refers.

Sir H. SAMUEL: Do I understand from what my right hon. Friend has said that he will not come to any conclusion on these matters until there has been an inquiry into the working of the present beet-sugar subsidy?

Mr. CHAMBERLAIN: I do not say that.

Sir H. SAMUEL: May I ask whether there will be an inquiry into the working of the beet-sugar subsidy, which is involving the expenditure of public moneys to the amount of over £30,000,000, before any decision is reached as to its continuance?

Mr. CHAMBERLAIN: I do not think I can give that undertaking, but, as the matter is still under consideration, I think my right hon. Friend need not be afraid that any hasty conclusion will be arrived at.

Sir H. CROFT: Can the right hon. Gentleman not satisfy the right hon. Member for Darwen (Sir H. Samuel) by giving an undertaking that there will be a reasonable duty and get rid of the subsidy?

LOANED WORKS OF ART (CUSTOMS DUTY).

60. **Sir WLLLIAM DAVISON** asked the Chancellor of the Exchequer whether he is aware that five packages containing examples of modern Chinese art, which were loaned for exhibition at the Whitechapel Art Gallery by Professor Chytil, of Prague, have been stopped by the Customs authorities, who claim duty amounting to £450; and whether, as these works of art are not for sale, but merely for exhibition at the gallery, which opens its exhibitions free to the public, steps will be taken to release them for exhibition without payment of duty?

Mr. CHAMBERLAIN: I am having inquiry made into the matter, and I will let my hon. Friend know the result as soon as possible.

TRADE AND COMMERCE.

Linoleum Exports (Drawback).

62. **Mr. G. WHITE** asked the Financial Secretary to the Treasury if arrangements have now been made for a drawback of duty in respect of the linseed-oil content of linoleum when exported?

Mr. HORE-BELISHA: No, Sir.

Sir P. HARRIS: Did not the Chancellor of the Exchequer make a promise that there would be a drawback arrangement, so that this industry should not suffer?

Mr. HORE-BELISHA: I must direct my hon. Friend's attention to the question I have been answering.

Japanese Competition (Dominions).

77. **Mr. HAMMERSLEY** asked the Secretary of State for Dominion Affairs whether he is in negotiation with any of the Dominions with regard to their withdrawal from the Anglo-Japanese trading agreement without prejudice to the validity of the agreement as between this country and Japan?

The SECRETARY of STATE for DOMINION AFFAIRS (Mr. J. H. Thomas): No, Sir.

Mr. HAMMERSLEY: Is the right hon. Gentleman aware of the acute anxiety that exists in many of the Dominions in respect to this abnormal Japanese competition, and will he undertake, in the event of their requesting him to take the action indicated in the question, not to raise any overriding objection?

Mr. THOMAS: The only Dominions affected are Canada, with very strong reservations, the Irish Free State, and Newfoundland. If I get any communications from them, I will very seriously consider them.

Coupon Trading.

80. **Mr. STOREY** asked the President of the Board of Trade whether the terms of reference of the proposed departmental committee on coupon trading will include the investigation of free insurance of readers by newspapers?

The PRESIDENT of the BOARD of TRADE (Mr. Runciman): The composition and terms of reference of the proposed departmental committee are still under consideration.

Mr. STOREY: Will the right hon. Gentleman bear in mind the fact that free insurance by newspapers is one of the most pernicious forms of gift trading,

[Mr. Storey.]

in that it increases the cost of advertising without any corresponding advantage to the advertiser?

Mr. RUNCIMAN: I am not going into the merits of that subject, but I may inform my hon. Friend that that is one of the topics under consideration.

Duchess of ATHOLL: May I ask whether another form will be inquired into, namely, the practice of writing open letters to prominent people, conveying the suggestion that they wish to commend a particular commodity?

Mr. BUCHANAN: Will not the right hon. Gentleman just allow us to get a little of our own way in these matters without constantly interfering with us?

INDIA (RAILWAY ORDERS).

83. **Sir H. CROFT** asked the Secretary of State for India whether his attention has been called to the contracts placed with Continental firms by Indian railways for locomotive boilers, fittings and cylinders; whether he is aware that the difference in price between the British quotations and those of the Hungarian State Railway workshops is small; and whether, in the interests of British industry, he will take the matter up with the Indian railways on behalf of British manufacturers in order that they may not be undersold by foreign State workshops?

The UNDER-SECRETARY of STATE for INDIA (Mr. Butler): My hon. and gallant Friend is presumably referring to contracts placed by the authorities in India under the rupee tender system. I have no information as to the details and would refer my hon. and gallant Friend to the reply I gave on 27th February to the question of my hon. Friend the Member for South Kensington (Sir W. Davison), who, I think, was referring to the same orders.

Sir H. CROFT: If it is a fact that these contracts for State railways are being placed on the Continent at a very low wage level, will the hon. Gentleman not urge the railways in India to give contracts to Great Britain, where most of the capital has been raised for the promotion of those railways?

Mr. CHURCHILL: Are we not to have an answer to that question?

Mr. BUTLER: The usual practice under the rupee tender system has been followed in this case.

Sir W. DAVISON: Is it not time that the usual practice was altered to a new practice more in accordance with the feelings of this House and the country?

Sir NAIRNE STEWART SANDEMAN: Would it not be better to give a subsidy to the manufacturers in this country, and keep the business here?

MANCHUKUO (JAPANESE FRUIT).

86. **Mr. MANDER** asked the Secretary of State for Foreign Affairs whether any information has been received in regard to the modification by the Manchukuo Government of the tariff in favour of Japanese oranges and apples in December last, contrary to international treaties; and what action he proposes to take?

Mr. BALDWIN: No, Sir. In November last the Manchukuo authorities announced that the specific duties hitherto levied on imported oranges and apples had been replaced by ad valorem duties of 15 per cent. and 25 per cent. respectively; but I have no information of discriminatory action on their part in favour of the Japanese fruit.

Mr. MANDER: Will the right hon. Gentleman be good enough to make inquiries in view of the danger that this may be applied to the textile exports from this country?

Mr. BALDWIN: I am advised that there is no discrimination.

AGRICULTURE.

MEAT IMPORTS.

64. **Mr. H. WILLIAMS** asked the Minister of Agriculture what further steps he proposes to take to assist the livestock industry, in view of the fact that the imports of beef and mutton in February, 1933, were greater than in January, 1933, and than in February, 1932, and that the daily average during February, 1933 was practically the same as for the daily average of the whole of 1932?

Major ELLIOT: Imports of chilled and frozen beef were less in February, 1933, than in either January, 1933, or Feb ruary, 1932. Imports of mutton and lamb, on the other hand, were greater, the difference being attributable to increased imports from the Dominions. I would remind my hon. Friend that the undertaking given by Australia and New Zealand at Ottawa to limit their shipments related to the year 1933 as a whole and it will, therefore, be appreciated that a comparison of one particular month with another has no special significance.

Mr. WILLIAMS: May I ask whether it is not the case that the emergency arrangements the right hon. Gentleman announced last December applied to the imports during the early months of this year, and why it is in those circumstances that imports of mutton were so abnormally high during February?

Major ELLIOT: I shall be happy to discuss the matter with my hon. Friend afterwards. I think it is very difficult to deal with these complicated matters by question and answer.

Mr. COVE: Can the right hon. Gentleman tell us whether prices increased during this period?

CONDENSED SKIMMED MILK (IMPORTS).

66. **Mr. LENNOX-BOYD** asked the Minister of Agriculture the reasons governing the avoidance of any effective restrictions on the increasing importation of condensed skimmed milk and similar products, particularly in view of their small food value and their competition with cheap pure milk?

Major ELLIOT: The position of the market for dairy produce is at present receiving the Government's careful and unremitting consideration, and all milk products will be brought under review, including those to which my hon. friend refers.

PRODUCTION (STATISTICS).

67. **Mr. LEWIS** asked the Minister of Agriculture if he will state for the last complete year for which figures are available the value, respectively, of the production in this country of eggs and poultry on the one hand and wheat, barley, and oats on the other hand?

Major ELLIOT: The value of the output from holdings over 1 acre in England and Wales in 1931-32 may be estimated provisionally at about £19,500,000 in the case of poultry and eggs, and £11,000,000 for wheat, barley and oats. The latter figure does not include the proportion of the crops retained on farms for seed or feed.

MILK (MARKETING SCHEME).

68. **Sir P. HURD** asked the Minister of Agriculture whether, seeing that milk producers have presented a scheme under the Marketing Act as recommended by the Reorganisation Commission for Milk, the Government now propose to establish a statutory dairymen's board and a joint milk council which the Commission consider essential to the satisfactory operation of their plan?

Major ELLIOT: I have not yet received the scheme referred to, but I understand that I may expect it at any moment. Immediate steps will be taken by the Ministry on receipt of the scheme to publish notice of submission with a view to pressing forward with the statutory procedure laid down in connection with submission and approval of marketing schemes. Meanwhile, the proposals of the Commission to which my hon. Friend refers are receiving careful consideration. They raise important questions of policy on which I am not yet in a position to make a statement.

WHEAT DEFICIENCY PAYMENTS (OXFORDSHIRE).

69. **Sir GIFFORD FOX** asked the Minister of Agriculture the amount of deficiency payments paid out under the Wheat Quota Act up to date, specifying the sum paid to farmers in Oxfordshire?

Major ELLIOT: The Wheat Commission have paid advances totalling £1,283,535 to registered growers in the United Kingdom on account of deficiency payments to which they will become entitled under the Wheat Act, 1932. The sum paid to farmers in Oxfordshire is £26,125. These payments are in respect of wheat certificates lodged with the commission up to 30th November last. A further advance in respect of certificates received between 1st December and 28th February will be made on or about 25th March.

MARKETING (FOREIGN TRADE NEGOTIATIONS).

81. **Sir JOSEPH LAMB** asked the President of the Board of Trade whether his attention has been called to the

[Sir J. Lamb.]
statement broadcast by the Danish Finance Minister in respect to recent commercial negotiations between Denmark and this country; whether he is aware of the anxiety entertained by British farmers as to the effect of such negotiations upon the operation of schemes under the Agricultural Marketing Act; and whether he can give any assurance that no commitments will be entered into with foreign countries which will prevent the expansion of home production of food products regulated by schemes under the Agricultural Marketing Act?

Mr. RUNCIMAN: My attention has been drawn to the statement to which my hon. Friend refers. I can assure him that in the trade negotiations with foreign countries I am in constant touch with my right hon. Friend the Minister of Agriculture and Fisheries.

Sir J. LAMB: Is the President of the Board of Trade not aware that there is a great deal of apprehension among agriculturists generally with regard to this matter?

Mr. RUNCIMAN: I hope that agriculturists generally know my right hon. Friend so well that they can entrust their interests to him.

COAL INDUSTRY (WEMYSS COAL COMPANY).

76. **Lieut.-Colonel KERR** asked the Secretary for Mines whether he is now in a position to announce the finding of the Scottish Commission of Investigation on the complaint made by the Hawick Co-operative Society against the standard tonnage allotted to the Wemyss Coal Company?

The SECRETARY for MINES (Mr. Ernest Brown): The finding of the Scottish Committee of Investigation in this case is as follows:—

"The committee, having considered the complaint submitted by the Hawick Co-operative Society, Limited, unanimously resolve:

1. That in the opinion of the committee the complaint was reasonably brought by the complainers inasmuch as the reason given the complainers for some difficulty they experienced in obtaining coal was contained in a document headed 'An Apology to our Customers' issued by the Wemyss Coal Company Limited, alleging that shortage was due to the operation of the Coal Mines Act, 1930.

2. That the complaint as to the inadequacy of the standard tonnage allotted by the Executive Board to the Wemyss Coal Company, Limited, has not been substantiated and that the statements contained in the apology are in the opinion of the committee misleading. The evidence submitted to the committee suggests that the Wemyss Coal Company, Limited, have benefitted by the Act rather than otherwise."

Mr. GUY: Could the Secretary for Mines tell the House who are the members of this Committee?

Mr. BROWN: The members of the Committee of Investigation were as follow:

Name.	Representing.
Sheriff G. Morton, K.C., M.A., LL.B., Chairman.	—
W. Elger, Esq., J.P. ...	Consumers.
Donald A. Matheson, Esq., M.V.O., J.P.	"
R. W. Brown, Esq. ...	Owners of coal mines in the district.
A. B. Clarke, Esq., J.P. ...	Workers employed in or about such coal mines.

HOUSE OF COMMONS (REFRESHMENT DEPARTMENT).

79. **Lieut.-Colonel GAULT** asked the hon. Member for Ipswich, as Chairman of the Kitchen Committee, whether he can state the amount of cider which was consumed in the refreshment departments of the House of Commons during the past calendar year; and what proportion of this amount was genuine Somerset cider?

Sir JOHN GANZONI: Sir, 204 gallons of draught, 84 dozen reputed pints and 98 dozen smaller bottles of cider were consumed last year. They were all Hereford, Devonshire or Norfolk brands.

Lieut.-Colonel GAULT: Is my hon. Friend aware that, in the opinion of experts and connoisseurs, the best cider comes from Somerset, and will he provide adequate facilities for hon. Members to enjoy this refreshing beverage for the future?

Sir H. CROFT: Is it not a fact that the alcoholic content of Somerset cider is somewhat in excess of that of the ordinary working man's beer, and will he give warning to hon. Members accordingly?

Sir J. GANZONI: I am always open to receive any helpful advice.

GERMANY.

87. **Mr. MANDER** asked the Secretary of State for Foreign Affairs whether his attention has been called to the recent breaches of the Treaty of Versailles by Germany; and what action it is proposed to take in the matter?

Mr. BALDWIN: The hon. Member is no doubt referring to the alleged inconsistency with the Treaty of Versailles and subsequent agreements of the enrolment of auxiliary police and their presence in the demilitarised zone. These matters are under consideration.

Mr. CHURCHILL: May I ask whether there is any prospect of a Debate which would raise the question of the promotion of peace on the Continent of Europe taking place at an early date?

Mr. BALDWIN: If I thought that such a Debate would attain that object, I should be glad to consider it.

Mr. CHURCHILL: Am I to understand that there is no prospect of a Debate upon the European situation in the near future?

Mr. BALDWIN: My right hon. Friend must recognise that that is a question which it is impossible to answer without notice.

Mr. CHURCHILL: Then my right hon. Friend will consider this point if notice is given?

Mr. BALDWIN: If there is a general desire, of course one is bound to consider it, but that does not in any way pledge us to find time.

Mr. MAXTON: If one of the parties requested that such a Debate should take place on the Consolidated Fund Bill, would the Government be prepared to arrange for it?

Mr. BALDWIN: The subject for discussion on that Bill is always within the choice of the Opposition, and they can put down any subject.

EMPLOYMENT (STATISTICS).

11. **Mr. BANFIELD** (*for* **Mr. THORNE**) asked the Minister of Labour the total number of workpeople employed in all trades and callings in Great Britain and Northern Ireland for the years 1920 and 1930, respectively?

Sir H. BETTERTON: I have prepared a detailed reply to this question, which I propose, with the hon. Member's permission, to circulate in the OFFICIAL REPORT.

Following is the reply:

I regret that the statistics desired in respect of 1920 are not available. The estimated number of persons aged 16 years and upwards insured under the Unemployment Insurance Acts in Great Britain and Northern Ireland at July, 1921, was 11,337,650, including probably between 320,000 and 340,000 persons aged 65 years and over. At July, 1930, the number of insured persons aged 16 to 64 inclusive was 12,405,700. At the Population Census of 1921 the total number of persons aged 12 years and upwards returned as gainfully occupied in Great Britain, exclusive of employers and persons working on their own account, was 17,414,718. A Census of Population was not taken in Northern Ireland in 1921. Corresponding figures from the 1931 Population Census are not yet available. The figures given above include unemployed persons as well as those at work.

TRADE UNIONS.

12. **Mr. BANFIELD** (*for* **Mr. THORNE**) asked the Minister of Labour the number of registered and unregistered trade unions in Great Britain and Northern Ireland for the years 1920 and 1930 respectively; and the membership of registered and unregistered trade unions for the same periods?

Sir H. BETTERTON: The numbers of registered and unregistered trade unions of employés in Great Britain and Northern Ireland at the end of 1920 and at the end of 1930 were 1,368 and 1,098 respectively. The memberships were 8,339,000 in 1920 (of whom about 7 millions were in registered unions), and 4,824,000 in 1930 (of whom about 3¾ millions were in registered unions).

ALIENS (BEET-SUGAR FACTORIES).

22. **Sir ALAN McLEAN** asked the Minister of Labour how many aliens are

[Sir A. McLean.]
now employed in beet-sugar factories in Great Britain under permits issued by the Home Office on the recommendation of his Department; and how many have been so employed for six years and upwards?

Sir H. BETTERTON: The number of aliens now employed in beet-sugar factories in Great Britain under permit conditions is 12. Two of these are leaving the country at the end of this month; of the remaining 10, 5 have been employed here for more than six years.

23. **Sir A. McLEAN** asked the Minister of Labour whether it is still a condition of the permit issued by the Home Office, on the recommendation of his Department, for the employment of aliens in beet-sugar factories in Great Britain that British subjects are trained by the aliens?

Sir H. BETTERTON: Yes, Sir. I should point out, however, that in certain cases where the foreigner has been in this country for a number of years, it may be decided to remove any restrictions upon his further stay, and in such cases the conditions would naturally no longer apply. I may add that no permits for the admission of foreigners for the beet-sugar industry have been issued since July, 1929.

BORSTAL INSTITUTION, FELTHAM (PROMOTIONS).

32. **Mr. McENTEE** asked the Home Secretary how many officers at His Majesty's Borstal Institution, Feltham, during the past 12 months, to the nearest date, have been passed over for promotion; and how far the seniority and experience of the officers is taken into consideration in making selections for promotion?

Sir J. GILMOUR: During the last 12 months, 25 officers at Feltham Borstal Institution have been passed over for promotion. As regards the second part of the question, I would refer the hon. Member to the reply which I gave to his question on the 9th instant.

DARTMOOR PRISON (FARM BAILIFF).

34. **Mr. McENTEE** asked the Home Secretary whether he is aware that the Prison Commissioners are advertising for a farm bailiff for Dartmoor Prison at a salary of approximately £1 per week more than the present bailiff receives, and that during the tenure of office of nearly three years of the present bailiff many first, second, and third class prizes have been won for cattle at local and district shows; what is the reason for the pending change; and whether the present holder of the office has been informed that he was not giving satisfaction?

Sir J. GILMOUR: The post of farm bailiff at this prison has not been filled for some years. On the death of the last bailiff it was decided, owing to uncertainty as to the future of the prison and of the farm, not to fill the post, and, as a temporary expedient, two officers of the prison have been employed in succession on the work and given a special allowance. As it has now been decided to maintain and to make more extensive use of the farm property, it has become necessary to appoint a qualified bailiff, and the Prison Commissioners have advertised for candidates accordingly.

Mr. McENTEE: Are we to understand that the bailiff who has been carrying out that work is not qualified? Has any complaint been made to the right hon. Gentleman to that effect?

Sir J. GILMOUR: This was a temporary arrangement with one of the ordinary officials of the prison, who is not fully qualified as a farm bailiff.

BUSINESS OF THE HOUSE (BUDGET DATE).

Mr. LANSBURY: May I ask the Lord President of the Council what will be the business for next week; and also, as there have been some statements in the Press as to the date of the Budget, is it possible for the right hon. Gentleman to tell us the date on which the Budget will be opened?

Mr. BALDWIN: Yes, Sir; my right hon. Friend the Chancellor of the Exchequer will open his Budget on Tuesday, the 25th April. The business for next week will be as follows:

Monday: Conclusion of the Second Reading Debate on the Agricultural

Marketing Bill, and Committee stage of the necessary Financial Resolution; consideration of Motions to approve the Additional Import Duties (No. 1) Order, 1933, and the Scottish Raspberries Marketing Scheme. The House will recollect that Monday's business was the subject of agreement through the usual channels. It is hoped to take the Division on the Second Reading of the Agricultural Marketing Bill at about ten o'clock, in order to get through the remaining business without sitting unduly late.

Tuesday: Third Allotted Supply Day—Report stage of the Army, Air and Navy Estimates.

With regard to Wednesday, the House will realise that Government business can now be taken on Wednesdays, yesterday having been the last day appropriated to private Members' Motions. Next Wednesday, the Second Reading of the Consolidated Fund Bill will be taken, and the question of unemployment will be debated.

Thursday: Remaining stages of the Consolidated Fund Bill. It has not yet been decided what subject will be debated.

Friday: Private Members' Bills.

On any day, if there is time, other Orders will be taken.

Mr. LANSBURY: We have given the Patronage Secretary notice that on Thursday, if possible, we hope that the Foreign Secretary or the Prime Minister will make a full statement on the international situation, with special reference to all the questions which they have been discussing at Geneva and elsewhere, and I take it, also, in connection with the Sino-Japanese dispute.

Mr. BALDWIN: I am quite as anxious as the right hon. Gentleman, or my right hon. Friend the Member for Epping (Mr. Churchill), that there should be such a Debate at the earliest moment. I cannot yet say whether those Ministers will be back, but I purpose communicating immediately with them, if possible, to see if they can return in time for Thursday's Debate.

Motion made, and Question put,

"That the Proceedings on Government Business be exempted, at this day's Sitting, from the provisions of the Standing Order (Sittings of the House)."—[*Mr. Baldwin.*]

The House divided: Ayes, 284; Noes, 31.

Division No. 84.] AYES. [3.49 p.m.

Adams, Samuel Vyvyan T. (Leeds, W.)
Agnew, Lieut.-Com. P. G.
Albery, Irving James
Allen, William (Stoke-on-Trent)
Applin, Lieut.-Col. Reginald V. K.
Aske, Sir Robert William
Atholl, Duchess of
Baillie, Sir Adrian W. M.
Baldwin, Rt. Hon. Stanley
Balniel, Lord
Banks, Sir Reginald Mitchell
Beauchamp, Sir Brograve Campbell
Beaumont, Hon. R.E.B. (Portsm'th,C.)
Beit, Sir Alfred L.
Benn, Sir Arthur Shirley
Bennett, Capt. Sir Ernest Nathaniel
Bernays, Robert
Betterton, Rt. Hon. Sir Henry B.
Borodale, Viscount
Bossom, A. C.
Boulton, W. W.
Bower, Lieut.-Com. Robert Tatton
Bowyer, Capt. Sir George E. W.
Boyce, H. Leslie
Boyd-Carpenter, Sir Archibald
Briscoe, Capt. Richard George
Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Ernest (Leith)
Brown, Brig.-Gen. H.C. (Berks., Newb'y)
Buchan-Hepburn, P. G. T.
Burgin. Dr. Edward Leslie
Burnett, John George
Butler, Richard Austen
Cadogan, Hon. Edward
Caine, G. R. Hall-
Campbell, Edward Taswell (Bromley)
Campbell, Vice-Admiral G. (Burnley)
Campbell-Johnston, Malcolm
Caporn, Arthur Cecil
Carver, Major William H.
Castlereagh, Viscount
Cautley, Sir Henry S.
Cazalet, Thelma (Islington, E.)
Chamberlain, Rt. Hon. N. (Edgbaston)
Chapman, Sir Samuel (Edinburgh, S.)
Christie, James Archibald
Churchill, Rt. Hon. Winston Spencer
Clarke, Frank
Colfox, Major William Philip
Colman, N. C. D.
Colville, Lieut.-Colonel J.
Conant, R. J. E.
Cook, Thomas A.
Cooke, Douglas
Cooper, A. Duff
Copeland, Ida
Craddock, Sir Reginald Henry
Croft, Brigadier-General Sir H.
Crooke, J. Smedley
Crookshank, Col. C. de Windt (Bootle)
Crookshank, Capt. H. C. (Gainsb'ro)
Cross, R. H.
Cruddas, Lieut.-Colonel Bernard
Culverwell, Cyril Tom
Davies, Maj. Geo. F. (Somerset, Yeovil)
Davison, Sir William Henry
Denman, Hon. R. D.
Dickie, John P.
Donner, P. W.
Dugdale, Captain Thomas Lionel
Duggan, Hubert John
Duncan, James A. L. (Kensington, N.)
Dunglass, Lord
Eady, George H.
Edmondson, Major A. J.
Elliot, Major Rt. Hon. Walter E.
Elmley, Viscount
Emmott, Charles E. G. C.
Emrys-Evans, P. V.
Erskine, Lord (Weston-super-Mare)
Essenhigh, Reginald Clare
Everard, W. Lindsay
Falle Sir Bertram G.
Fermoy, Lord
Fleming, Edward Lascelles
Flint, Abraham John
Fox, Sir Gifford
Fremantle, Sir Francis
Fuller, Captain A. G.
Ganzoni, Sir John
Gault, Lieut.-Col. A. Hamilton
Gilmour, Lt.-Col. Rt. Hon. Sir John
Glossop, C. W. H.
Gluckstein, Louis Halle
Goff, Sir Park
Goldie, Noel B.
Goodman, Colonel Albert W.
Graham, Sir F. Fergus (C'mb'rl'd, N.)
Granville, Edgar
Grattan-Doyle, Sir Nicholas
Gretton, Colonel Rt. Hon. John
Grimston, R. V.
Guinness, Thomas L. E. B.
Guy, J. C. Morrison
Hacking, Rt. Hon. Douglas H.
Hall, Capt. W. D'Arcy (Brecon)
Hamilton, Sir George (Ilford)
Hamilton, Sir R. W. (Orkney & Zetl'nd)
Hammersley, Samuel S.
Hanbury, Cecil
Hanley, Dennis A.
Harbord, Arthur
Harris, Sir Percy

Hartland, George A.
Harvey, Major S. E. (Devon, Totnes)
Haslam, Henry (Horncastle)
Headlam, Lieut.-Col. Cuthbert M.
Heilgers, Captain F. F. A.
Henderson, Sir Vivian L. (Chelmsford)
Heneage, Lieut.-Colonel Arthur P.
Herbert, Capt. S. (Abbey Division)
Hore-Belisha, Leslie
Hornby, Frank
Horne, Rt. Hon. Sir Robert S.
Horsbrugh, Florence
Howard, Tom Forrest
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M. (Hackney, N.)
Hume, Sir George Hopwood
Hunter, Dr. Joseph (Dumfries)
Hunter, Capt. M. J. (Brigg)
Hurd, Sir Percy
Hurst, Sir Gerald B.
James, Wing-Com. A. W. H.
Jamieson, Douglas
Janner, Barnett
Johnstone, Harcourt (S. Shields)
Jones, Lewis (Swansea, West)
Ker, J. Campbell
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Kirkpatrick, William M.
Knight, Holford
Knox, Sir Alfred
Lamb, Sir Joseph Quinton
Lambert, Rt. Hon. George
Latham, Sir Herbert Paul
Law, Sir Alfred
Law, Richard K. (Hull, S.W.)
Lees-Jones, John
Leighton, Major B. E. P.
Lennox-Boyd, A. T.
Levy, Thomas
Lewis, Oswald
Liddall, Walter S.
Lindsay, Noel Ker
Lister, Rt. Hon. Sir Philip Cunliffe-
Llewellyn-Jones, Frederick
Lloyd, Geoffrey
Locker-Lampson, Rt. Hn. G. (Wd.Gr'n)
Lovat-Fraser, James Alexander
Lumley, Captain Lawrence R.
MacAndrew, Lieut.-Col. C. G.(Partick)
MacAndrew, Capt. J. O. (Ayr)
Macdonald, Capt. P. D. (I. of W.)
McEwen, Captain J. H. F.
McKie, John Hamilton
Maclay, Hon. Joseph Paton
McLean, Major Sir Alan
McLean, Dr. W. H. (Tradeston)
Macpherson, Rt. Hon. Sir Ian
Maitland, Adam
Mander, Geoffrey le M.
Margesson, Capt. Rt. Hon. H. D. R.
Marsden, Commander Arthur
Martin, Thomas B.
Mayhew, Lieut.-Colonel John
Mills, Sir Frederick (Leyton, E.)
Mitchell, Harold P.(Br'tf'd & Chisw'k)
Molson, A. Hugh Elsdale
Monsell, Rt. Hon. Sir B. Eyres
Muirhead, Major A. J.
Nation, Brigadier-General J. J. H.
Nicholson, Godfrey (Morpeth)
Nicholson, Rt. Hn. W. G. (Peters'fld)
Normand, Wilfrid Guild
North, Captain Edward T.
Nunn, William
O'Connor, Terence James
Oman, Sir Charles William C.
Ormsby-Gore, Rt. Hon. William G. A.
Palmer, Francis Noel
Patrick, Colin M.
Peake, Captain Osbert
Pearson, William G.
Perkins, Walter R. D.
Peters, Dr. Sidney John
Petherick, M.
Peto, Geoffrey K. (W'verh'pt'n, Bilst'n)
Pownall, Sir Assheton
Raikes, Henry V. A. M.
Ramsay, Capt. A. H. M. (Midlothian)
Ramsay, T. B. W. (Western Isles)
Ramsbotham, Herwald
Ramsden, Sir Eugene
Ray, Sir William
Rea, Walter Russell
Reed, Arthur C. (Exeter)
Reid, Capt. A. Cunningham-
Rhys, Hon. Charles Arthur U.
Robinson, John Roland
Ropner, Colonel L.
Ross, Ronald D.
Ross Taylor, Walter (Woodbridge)
Runciman, Rt. Hon. Walter
Runge, Norah Cecil
Russell, Alexander West (Tynemouth)
Russell, Richard John (Eddisbury)
Rutherford, Sir John Hugo (Liverp'l)
Salmon, Sir Isidore
Salt, Edward W.
Samuel, Sir Arthur Michael (F'nham)
Samuel, Rt. Hon. Sir H. (Darwen)
Sandeman, Sir A. N. Stewart
Sassoon, Rt. Hon. Sir Philip A. G. D.
Savery, Samuel Servington
Selley, Harry R.
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)
Shute, Colonel J. J.
Smiles, Lieut.-Col. Sir Walter D.
Smith, Bracewell (Dulwich)
Smith, Sir Jonah W. (Barrow-in-F.)
Smith-Carington, Neville W.
Smithers, Waldron
Somerville, Annesley A. (Windsor)
Sotheron-Estcourt, Captain T. E.
Southby, Commander Archibald R. J.
Spencer, Captain Richard A.
Spender-Clay, Rt. Hon. Herbert H.
Stanley, Lord (Lancaster, Fylde)
Stanley Hon. O. F. G. (Westmorland)
Stewart, J. H. (Fife, E.)
Stones, James
Storey, Samuel
Strauss, Edward A.
Strickland, Captain W. F.
Sueter, Rear-Admiral Murray F.
Sutcliffe, Harold
Tate, Mavis Constance
Thomas, Rt. Hon. J. H. (Derby)
Thomas, James P. L. (Hereford)
Thompson, Luke
Titchfield, Major the Marquess of
Todd, Capt. A. J. K. (B'wick-on-T.)
Todd, A. L. S. (Kingswinford)
Touche, Gordon Cosmo
Tryon, Rt. Hon. George Clement
Turton, Robert Hugh
Vaughan-Morgan, Sir Kenyon
Wallace, Captain D. E. (Hornsey)
Wallace, John (Dunfermline)
Ward, Lt.-Col. Sir A. L. (Hull)
Ward, Irene Mary Bewick (Wallsend)
Ward, Sarah Adelaide (Cannock)
Warrender, Sir Victor A. G.
Waterhouse, Captain Charles
Watt, Captain George Steven H.
Wayland, Sir William A.
Wedderburn, Henry James Scrymgeour-
Wells, Sydney Richard
Weymouth, Viscount
White, Henry Graham
Whiteside, Borras Noel H.
Williams, Herbert G. (Croydon, S.)
Wills, Wilfrid D.
Wilson, Clyde T. (West Toxteth)
Windsor-Clive, Lieut.-Colonel George
Winterton, Rt. Hon. Earl
Womersley, Walter James
Wood, Rt. Hon. Sir H. Kingsley
Wood, Sir Murdoch McKenzie (Banff)
Young, Rt. Hon. Sir Hilton (S'v'oaks)

TELLERS FOR THE AYES.—Sir Frederick Thomson and Sir George Penny.

NOES.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Batey, Joseph
Brown, C. W. E. (Notts., Mansfield)
Buchanan, George
Cocks, Frederick Seymour
Cove, William G.
Daggar, George
Davies, David L. (Pontypridd)
Dobbie, William
Edwards, Charles
Grenfell, David Rees (Glamorgan)
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Hirst, George Henry
Lansbury, Rt. Hon. George
Logan, David Gilbert
Lunn, William
Macdonald, Gordon (Ince)
McEntee, Valentine L.
Maclean, Neil (Glasgow, Govan)
Maxton, James
Parkinson, John Allen
Price, Gabriel
Tinker, John Joseph
Williams, David (Swansea, East)
Williams, Edward John (Ogmore)
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE NOES.—Mr. John and Mr. Groves.

STANDING ORDERS.

Resolution reported from the Select Committee;

"That in the case of the Salford Corporation Bill [*Lords*], Petition for additional Provision, the Standing Orders ought to be dispensed with:—That the parties be permitted to insert their additional Provision if the Committee on the Bill think fit."

Resolution agreed to.

ADMINISTRATION OF JUSTICE (SCOTLAND) BILL,

"to amend the law of Scotland relating to the Court of Session and procedure therein, to the appointment of officers in the said court and the High Court of Justiciary, to criminal jury trials and to the sheriffs and procedure in the sheriff court, and with regard to law agents' fees; and for purposes connected therewith," presented by the Lord Advocate; supported by Sir Godfrey Collins, the Solicitor-General for Scotland, and Mr. Skelton; to be read a Second time upon Tuesday next, and to be printed. [Bill 71.]

SELECTION (STANDING COMMITTEES).

Standing Committee A.

Mr. William Nicholson reported from the Committee of Selection; That they had discharged the following Member from Standing Committee A: Sir Mervyn Manningham-Buller; and had appointed in substitution: Sir Alfred Law.

Report to lie upon the Table.

WRITTEN ANSWERS.

EDUCATION.

Teachers (Unemployment).

Mr. E. EVANS asked the Parliamentary Secretary to the Board of Education how many men and women teachers, respectively, left the training colleges and university training departments in 1932; and how many if these men and women, respectively, had failed to obtain employment as teachers by 28th February, 1933?

Mr. RAMSBOTHAM: Of the 2,637 men and 5,613 women who left training colleges and university training departments in 1932, those reported by the authorities as having failed to obtain employment as teachers by 31st December last numbered, respectively, 358 and 742. No later figures are yet available.

Establishments of Teachers.

Colonel CHAPMAN asked the Parliamentary Secretary to the Board of Education what is the approved establishment of teachers for each Part III authority for the year 1933-34 under Article 11 of the Code; and what is the number of children in average attendance per teacher for each authority based upon the average attendance for the year ended 31st March, 1932?

Mr. RAMSBOTHAM: The establishments of teachers proposed by local education authorities for the year 1933-34, under Article 11 of the Code, are still under consideration by the Board. My Noble Friend regrets that he is therefore not at present in a position to furnish the information asked for in the question.

TRADE AND COMMERCE.

Bacon and Hams (Imports).

Sir J. HASLAM asked the Minister of Agriculture if, seeing that while Denmark carried out her agreement under the bacon import quota system during the month of January last by reducing her exports to this country by about 150,000 cwts., the combined quota was exceeded by 63,302 cwts., he will give the House a list of the countries which infringed the quota agreement during the month of January last, stating the individual amount by which each country exceeded its quota; and what steps he proposes to take to prevent a recurrence of such infringements in the future?

Major ELLIOT: I would remind my hon. Friend that the arrangements under which the chief bacon exporting countries have reduced their exports of bacon and hams to this country since 23rd November last are purely voluntary. Moreover, it was agreed that the countries concerned should be free to make minor adjustments in shipments as between one month and another. The arrangements are continuing, but a statement is attached explaining the position and showing anticipated shipments and actual imports during the full initial period of three months from 23rd November. I am satisfied that the countries concerned have endeavoured to limit their shipments to the quantities arranged in the course of the negotiations, and I should like to take this opportunity of publicly expressing, on behalf of His Majesty's Government, our appreciation of their helpful co-operation.

Following is the statement:

Imports of bacon and ham in the month of January from those countries which are parties to the voluntary agreement to restrict their imports, amounted to 873,387 cwt. They thus exceeded the total monthly figure of 817,680 cwt. agreed upon by 55,707 cwt. It should be borne in mind, however, that the periods to which the agreed maximum monthly import figures apply run from the 23rd of one month to the 22nd of the next and that there is no undertaking to spread deliveries evenly over the period. Imports may be below the agreed rate in one week and above it in others, provided the maximum is not exceeded over the whole period. This actually occurred in the period 23rd December to 22nd January. Imports in the week ending 27th December were very low and in the following week—part of which fell in January—were exceptionally high. The calendar month of January thus received a higher import figure than it otherwise would. On the other hand, during the five weeks ended 24th January, which broadly correspond with the second month of the restriction agreement, imports from the countries concerned were 932,360 cwt., or about 11,000 cwt. less than the maximum, on the basis of the voluntary agreement, which, allowing for the extra four days, would be 943,475 cwt. Moreover, in the first three months of the agreement (the 13 weeks ended 21st February) imports from the countries concerned were 2,391,411 cwt. This is 61,629 cwt. (or 2½ per cent.) less than the maximum agreed upon.

Anticipated and actual imports during these three months from each of the countries concerned have been as follow:

Country.	Anticipated shipments during period 23rd November, 1932, to 22nd February, 1933.	Actual gross imports during 13 weeks ended 21st February, 1933.†	Excess or deficit of gross imports compared with anticipated shipments.
	cwt.	cwt.	cwt.
Argentine*	18,240	23,355	+ 5,115
Denmark	1,518,000	1,484,722	—33,278
Estonia	21,600	19,951	— 1,649
Finland	13,200	9,917	— 3,283
Latvia	12,000	11,273	— 727
Lithuania	135,000	134,151	— 849
Netherlands	247,200	267,985	+20,785
Poland	240,000	247,305	+ 7,305
Sweden	115,800	67,346	—48,454
U.S.A.	120,000	116,380	— 3,620
U.S.S.R.	12,000	9,026	— 2,974
Total	2,453,040	2,391,411	

* It was understood that special circumstanes would prevent the Argentine from limiting shipments to the negotiated quantity during the initial period

† The figures in this column make no allowance for small quantities of bacon re-exported.

Irish Free State Dairy Produce (Import).

Mr. McGOVERN asked the President of the Board of Trade the total value of dairy produce imported into this country from the Irish Free State from the passing of the Import Duties Act to 1st March, 1933, and for a similar period in the previous year?

Mr. RUNCIMAN: I am having a statement prepared which I will circulate in the OFFICIAL REPORT as soon as possible.

BUTTER MARKING ORDER (CONTRAVENTION).

Mr. PERKINS asked the President of the Board of Trade what inquiries he has made with regard to complaints of the mixing of Russian butter with Empire butter by wholesale butter merchants and of this mixture being sold as Empire butter; and what steps he proposes to take?

Major ELLIOT: I have been asked to reply. The sale of mixtures or blends of foreign and Empire butter as "Empire" is a contravention of the Butter Marking Order made under the Merchandise Marks Act, 1926, the power to enforce which rests with local authorities. I am sending a copy of the Order to my hon. Friend, and if he will let me have any definite information as to contraventions of the Order referred to, I will see that it is passed to the local authority concerned.

HOUSING.

Town Planning (Chingford).

Mr. HICKS asked the Minister of Health in view of the request made to him by the local authority to vary the Chingford town planning scheme by allocating land to be used for private dwellings for a factory extension what steps he intends to take to protect the residents from the diversion of neighbouring land to uses other than those originally specified?

Mr. McENTEE asked the Minister of Health whether he is aware that the Chingford Council has permitted land scheduled for residential purposes to be used for the extension of a laundry; that there is resentment on the part of local residents against the council's infringement of its scheme; and what action he proposes to take?

Sir H. YOUNG: The question of the extension of the laundry referred to arose on an objection by the owner to the Chingford town planning scheme when deposited as proposed to be approved, and after careful review of the objection and the representations of neighbouring owners I came to the conclusion that the extension of the laundry (which was in existence before the commencement of the scheme) could not fairly be prevented.

Schemes (Direct Labour).

Mr. MUNRO asked the Minister of Health how many applications he has received from local authorities for sanction to the erection by direct labour of housing schemes since 1st January, 1932; and how many such applications have been approved?

Sir H. YOUNG: I regret that figures in the form desired by my hon. Friend are not available. Since the date in question 46 local authorities in England and Wales have commenced house building operations by direct labour.

ENTERTAINMENTS DUTY.

Mr. KIRKWOOD asked the Chancellor of the Exchequer the amount collected for Entertainments Duty for the year ended 7th November, 1931, and for the year ended 5th November, 1932; and what proportion of the amount collected for the year ended 5th November, 1932, was from admission prices, including tax, of 7d. and under?

Mr. CHAMBERLAIN: The net amount of Entertainments Duty collected during the years ended 31st October, 1931, and 31st October, 1932 (the nearest dates for which figures are available), was £6,808,000 and £9,335,000, respectively. I am afraid that the information desired in the second part of the question cannot be given, as detailed statistics of Entertainments Duty at the various prices of admission are not available.

Mr. KIRKWOOD asked the Chancellor of the Exchequer if he will have inquiry made into the falling off in attendances at the cinemas throughout the country as a result of the reimposition of Entertainments Duty as at November, 1931, on prices of admission of 6d. and under, and the resulting loss of revenue?

Mr. CHAMBERLAIN: I am afraid that I have no means of obtaining the information desired by the hon. Member.

GOVERNMENT DEPARTMENTS (EX-SERVICE MEN).

Captain McEWEN asked the Financial Secretary to the Treasury what is the number of P-class and S-class men promoted to the clerical classes in each Department from 1st April, 1932, to 28th February, 1933?

Mr. HORE-BELISHA: I would refer my hon. and gallant Friend to the answer given on 13th March to the hon. Member for Westhoughton (Mr. Rhys Davies) in which it was explained that, in the interests of economy, statistics of this character are now compiled in respect of 12 months ending on 31st March of each year. As soon as figures are available, I will forward my hon. Friend information as to the number of promotions authorised during the 12 months ending 31st March, 1933.

GERMANY (BRITISH SUBJECTS).

Colonel WEDGWOOD asked the Secretary of State for Foreign Affairs what steps the Government are taking to protect our nationals in Germany, especially Indians and Jews; and whether he has any further news as to Mr. Nambiar and Mrs. Naidu's son?

Mr. BALDWIN: As regards the safety of British subjects in Germany, I would refer the right hon. Gentleman to the answers given by the Secretary of State for Foreign Affairs in reply to the question put by the hon. Member for East Aberdeen (Mr. Boothby) and to supplementary questions on 1st March. As regards Mr. Naidu, the hon. Member for Limehouse (Mr. Attlee) was informed on 9th March that he had been released. As regards Mr. Nambiar, who is still under arrest, His Majesty's Ambassador at Berlin continues to communicate with the competent German authorities; but he has been informed by them that a large quantity of Communist subversive propagandist literature has been found among Mr. Nambiar's papers.

INDIA.

SIKH PRISONERS.

Mr. McGOVERN asked the Secretary of State for India if he is aware of the fact that 54 Sikh organisations have submitted resolutions to the Punjab Government urging the immediate release of Baba Chuhar Singh, a prisoner of the 1914-15 conspiracy case, who was on hunger strike lately in the old Multan central gaol; and what steps have the Government taken in the matter?

Sir S. HOARE: I am aware that there has recently been a certain amount of agitation for the release of Sikh prisoners sentenced to transportation for life by special tribunals in 1914 and 1915. So far as I am aware, no action has been taken by Government in the matter.

DR. MOHAMAD ALAM (PASSPORT).

Mr. McGOVERN asked the Secretary of State for India if he is aware that Dr. Mohamad Alam, vice-chairman of the Lahore Bar Association, ex-president of the Punjab National Congress, and a civil disobedience prisoner lately released from gaol, now the president-elect of the Indian Congress in East Africa, is refused a passport for Kenya by the Punjab Government on the grounds of his conviction; and, as civil disobedience is a political offence and involves no moral turpitude, is he prepared to direct the granting of a passport?

Sir S. HOARE: I have received no information regarding any refusal of a passport to Dr. Mohamad Alam. The matter is one for the discretion of the authorities in India and I am content to leave it in their hands. I may add that the grant or refusal of passports in India does not depend on considerations of moral turpitude.

OFFICERS TRAINING CORPS.

Mr. L. SMITH asked the Financial Secretary to the War Office the strength of the Officers Training Corps at the present time, and in particular at the universities, as compared with 1932, 1931, and 1930?

Mr. COOPER: The strength of the Officers Training Corps (excluding permanent staff) on 1st October, 1932, which is the latest date for which figures are available, was:—Senior Division, 163 officers, 4,481 cadets; Junior Division, 618 officers, 27,163 cadets. The corresponding figures for the preceding three years were:

—	Senior Division.		Junior Division.	
	Officers.	Cadets.	Officers.	Cadets.
1931 ...	184	4,484	657	32,963
1930 ...	184	4,461	677	34,624
1929 ...	165	4,452	680	34,581

PRISON SERVICE.

Mr. G. NICHOLSON asked the Home Secretary the number of applications received by the Department from prison officers in the London prisons for transfers to provincial prisons during the year ending 31st December, 1932, and the alleged reasons for these applications?

Sir J. GILMOUR: There were 19 such applications during this period. Five were on grounds of health, five to be nearer to relatives, three to take up work in Borstal institutions, two to take up work in convict prisons, two on account of failure to secure suitable accommodation in London, and two from officers who had failed to qualify for promotion and desired a change of prison.

ROAD PASSENGER VEHICLES, DURHAM (FARES).

Mr. LAWSON asked the Minister of Transport whether the Northern Commissioner had access to the books of the companies operating in Durham; and whether he used such opportunity before he allowed the recent increases of fares?

Mr. STANLEY: In regard to the information which is required to be furnished in support of an application made to the commissioners in any particular case, discretion rests with the commissioners and I have no jurisdiction except in the event of an appeal against their decision being made to me under the provisions of the Road Traffic Act, 1930.

UNEMPLOYMENT (NEATH AND PONTARDAWE).

Sir W. JENKINS asked the Minister of Labour the number wholly unemployed, the number temporarily stopped, and in casual work for the Neath Employment Exchange area and the Pontardawe Employment Exchange area for 1929, 1930, 1931, 1932, and up to the last available date?

Sir H. BETTERTON: The following table gives the information desired:

Unemployed persons on the registers of the Neath and Pontardawe Employment Exchanges.

Date.	Wholly Unemployed.	Temporarily Stopped.	Normally in Casual employment.	Total.
	Neath.			
25th February, 1929	2,768	1,641	—	4,409
24th ,, 1930	2,346	1,547	30	3,923
23rd ,, 1931	3,511	3,929	15	7,455
22nd ,, 1932	3,001	2,586	4	5,591
20th ,, 1933	3,405	1,895	4	5,304
	Pontardawe.			
25th February, 1929	280	351	—	631
24th ,, 1930	154	623	—	777
23rd ,, 1931	628	831	—	1,459
22nd ,, 1932	379	699	—	1,078
20th ,, 1933	610	509	—	1,119

SEVERN BARRAGE SCHEME.

Mr. CLARRY asked the Minister of Transport if he has given consideration to the committee's report on the Severn barrage scheme; and what steps he now contemplates in connection therewith?

Mr. STANLEY: I would refer my hon. Friend to the answer given on Tuesday last to a similar question by my hon. Friend the Member for the Hallam Division of Sheffield (Mr. L. Smith).

ORDERS OF THE DAY.

SUPPLY.

NAVY ESTIMATES, 1933.

SIR BOLTON EYRES MONSELL'S STATEMENT.

Order for Committee read.

3.59 p.m.

The FIRST LORD of the ADMIRALTY (Sir Bolton Eyres Monsell): I beg to move, "That Mr. Speaker do now leave the Chair."

The announcement that the Navy Estimates this year are increased by £3,093,700 has aroused both hopes and fears, hopes in those who, believing in a strong Navy, believe that the deficiencies in the Navy are immediately to be made good, fears in others of some departure from our Treaty limitations. There is no justification for those hopes or fears. As the House of Commons well knows, we are building to a rigid programme, of which this is the fourth instalment, and the increase of a little over £3,000,000 is almost entirely automatic, and, except for new construction, does not fully meet all the potential needs of the Navy. Of this total of £3,093,700, no less a sum than £2,355,360 is required in order to make normal progress—and normal progress only—with new construction. Last year, 1932, we saved temporarily about £2,000,000 by adopting the expedient of postponing the 1931 programme for nearly six months. A similar postponement this year of the 1932 Programme would be quite impossible, and, as the House of Commons will see from that fact alone, the increase this year is bound to be £2,000,000. But that is not all. By postponing the 1931 Programme last year, we pushed the highest point of the curve in the expenditure on the Programme into this year, and so we have, in addition to the £2,000,000, an extra expenditure of £500,000 which has been pushed into this year's Estimate. Those two sums make up the automatic increase for new construction.

If we take that amount for new construction from the total increase in this year's Estimates, I have left to account for a sum of £738,340, and it is very easy to account for that. Votes 13 and 14—what we call the Non-Effective Votes, which deal with pensions of both officers and men—are on the up-grade. They have been increasing for some time, and they will go on increasing for some time. Unfortunately, they have increased this year by the sum of £285,367 gross. Then, on the other side of our balance sheet, Appropriations-in-Aid—things that help us—are down. They were down last year considerably, and they are still more down this year by a sum of £346,566. It is quite easy to explain the reduction this year. It is due generally to the prevalent state of trade. We cannot get charters for our oil tankers; and old ships and scrap in general are fetching a very small sum. But the House will see that these two large increases in the Estimates — in Appropriations-in-Aid and Non-Effective Votes—about which I have just spoken, are entirely beyond the control of the Admiralty.

There is only one other increase, and that is in the Fleet Air Arm. As in 1932, we are taking no new flight in the Fleet Air Arm, but two of the existing flights are in such a bad state that it is quite imperative to re-engine them with air-cooled engines. If we did not do that, it would not be safe to let pilots fly in them. The increase in the Estimate for the Fleet Air Arm of £64,000 is more than accounted for by these engines. Apart from these increases, £42,407 is all that I have got left to account for, and that sum appears under the general head of Maintenance. I pointed out last year that certain economies which we had taken in the Fleet and in Naval establishments could not be repeated without making serious inroads into the efficiency and, indeed, even the strength of the Fleet itself, and this year, so far as the small balance permits, I have made the best provision possible for such things as training reserves, which we had temporarily to abandon altogether last year, and an increase of expenditure in certain stores, more especially oil fuel for the Fleet, which is most important, as the Fleet was being crippled for want of action. We have also taken more money to make up arrears in certain works of paramount importance.

I should like the House to understand that if it had not been for certain automatic reductions which we have had, such as the decrease in the price of stores and the real co-operation of the whole Navy, both afloat and in shore establishments, in helping us to economise, the

Estimates would have had to be considerably greater than those I am presenting to-day. Since these Estimates were presented, we have heard a certain amount of criticism about the increase. No doubt we shall hear a great deal more, but I should like to point out to the House—no doubt it knows full well already—that the people who always deny us the right to an adequate national defence are precisely the same people who internationally are always clamouring for sanctions, for blockades, for wars to end war. They always profess to be worshipping the Goddess of Peace, but, to my mind, their real deity is an ancient heathen god of Wrath and Vengeance. But if these bloodthirsty pacifists, as I might call them, ever get their way, which God forbid, let the country realise what part the British Navy would be called upon to play in any form of castigation they wished to inflict. The First Lord of the Admiralty of the day, standing at this Box, would not be asking for an increase of £3,000,000, but for a sum of money that would well-nigh break the heart of the British taxpayer. Do not think I am not sorry for the British taxpayer, but I should like the British taxpayer to take some comfort from the fact that nearly the whole of the increased sum for new construction this year is going in wages. It is going in wages to people in this country. It is going in wages to those craftsmen whose combined skill produces ships. They have had a very hard time lately. They are people we cannot possibly do without, because their skill and the skill of their forbears has been largely responsible for the growth and development of our maritime Empire.

The 1933 programme is, as I have said, a normal replacement programme, the fourth of its series. I have given some account of it in my printed Statement to the Navy Estimates, and all that I will add to it now, for the information of the House, is where these ships are to be built, which is always interesting to Members of dockyard towns and those who have private shipyards in their constituencies. Of the four new cruisers, Portsmouth will have one, Devonport will have a cruiser and a sloop, Chatham will have one sloop and one submarine, and the rest will go to private contract. One of the cruisers will be in replacement of His Majesty's Australian ship "Brisbane," and the question of the replacement of the "Brisbane" is under discussion with the Commonwealth of Australia at the present time. Before I leave the subject of the programme, it may interest the House to be told the names of some of the ships of the 1932 programme, orders for which have all been placed. The principles to which I referred last year have been adhered to. The two larger cruisers will be named the "Apollo" and "Phaeton," and the smaller cruiser the "Galatea." The flotilla leader will be called the "Faulknor." The destroyers will have the names of "Forester," "Fury," "Fearless," "Foresight," "Foxhound," "Fortune," "Fame" and "Firedrake." The submarines will be called the "Clyde," the "Grampus" and the "Salmon," and the sloops will be named the "Lowestoft," the "Wellington," the "Harrier" and the "Hussar."

I now turn to administration, which, I confess, is of more interest to me at the moment than the programme, because it is not yet restricted by any international obligation, and I wish to tell the House of some economies in the naval service which we have been able to effect, and I hope that those economies will not be without general interest in themselves. The first economy we have made, I am sure many hon. Members will be pleased to hear, is in the Admiralty itself—the staff. It is what we call the "merger." During last year we carried out a reorganisation of the staff which combines efficiency with a considerable saving in salaries, and I am sure the House will agree with me that this is a dual achievement which is as rare as it is welcome in any administration.

Until 100 years ago the civil administration of the Admiralty was in the hands of independent authorities. One of those authorities was the famous old Navy Office. All those authorities were located in Somerset House, and were entirely independent of the Board of Admiralty. Many people saw the disadvantages of this state of affairs, but it was left to a man called Sir James Graham, who became First Lord of the Admiralty in 1830, to take what was no doubt then very drastic action. He brought all these civil departments under the authority at Whitehall of the Board of Admiralty, and so there grew up five depart-

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ments directly under the authority of the Board of Admiralty. The only link which the Navy now retains with Somerset House is the Naval emblem on that building which hon. Members can see as they pass by. One of these Departments, that of the Accountant-General, maintained an honourable, and, in some ways, separate existence for nearly 100 years, for it was only last year that we merged the Accountant-General's Department with that of the Department of the Secretary of the Admiralty, who was made Chief Financial Officer and Accounting Officer for Navy purposes in 1921. The effect has been to simplify and improve the organisation a great deal. But it has done more than that. It has effected a substantial saving in staff and salaries, and I hope that we shall save in a full year by this means £10,000. This has been done by avoiding some overlapping, which was taking place between the Secretary's Department and that of the Accountant-General. One of the most illustrious officials of the old Navy Office was the first man to call attention to such overlapping. On 5th April, 1668, which happened to be Lord's Day, Mr. Pepys made the following entry in his diary:

"Dined at home, with W. Hewer with me; and after dinner he and I a great deal of good talk touching this office"—

that is, the Navy Office—

"how it is spoiled by having so many persons in it, and so much work that is not made the work of any one man, but of all, and so is never done."

I commend that to hon. Gentlemen who like looking at the Admiralty Vote.

"And that the best way to have it well done, were to have the whole trust in one, as myself, to set whom I pleased to work in the several businesses of the office, and me to be accountable for the whole . . . .; but this is not to be compassed."

Perhaps Mr. Pepys was right; and it never could be entirely "compassed," but I cannot help thinking that if Mr. Pepys could have made an entry in his diary to-night he would have said that he was "mighty content" with what we have done.

The next thing I wish to speak about is Dartmouth. Some months ago reports appeared in the Press that Dartmouth College was to be abolished. We immediately took steps to contradict the rumour, because I for one am convinced that we should never get a sufficient number of cadets of the right calibre in any other way. The only criticism aimed against Dartmouth which I thought had some force in it was the one directed against the cost of Dartmouth, so I set to work to reduce the cost and undermine that argument as best I could. I have succeeded so far that we have reduced the cost of Dartmouth by 20 per cent., a very considerable achievement. I hope and believe that it is being done without any loss of efficiency. I should be very sorry if Dartmouth lost any of its efficiency. It is one of the very best educational establishments in this country. The chief reason for the high cost is the necessity of a dual staff—a naval staff and an instructional staff. We have made our principal economies in cutting down both. The first six terms at Dartmouth have been combined for instructional purposes. This means that we can have bigger classes and fewer instructors, and I am informed that the larger classes will by no means cause loss of efficiency.

Mr. COVE: What size are they?

Sir B. EYRES MONSELL: About 25. I am told that the benefit you get in larger classes from mass-thought and competition balances the loss you may have from the lack of individual instruction. I have been told that fact on very high authority. Another cause of the high expenditure at Dartmouth is that Dartmouth was constructed to take a far larger number of cadets than the Navy at present wants, so that the overhead charges are much too big. By increasing the number of cadets, of course, we could reduce the overhead charges, but at the moment we do not want to increase the number of cadets. We are considering whether it would not be desirable to open Dartmouth College, at a suitable fee, to a limited number of boys who do not intend to make the Navy a career. There is much to be said for and against this proposal, to which I am in no way committed. I should like the House to realise one or two points. I have heard a good many parents say that they would like their sons to get the really unique advantage of the education at Dartmouth so long as it was not necessary for them to make the Navy a career. I do not think that the small number taken could possibly upset the public schools. The fees to be charged would make no difference to the public schools, because they would not be lower than the fees charged by the highest class of public school. We have not the slightest intention of competing with the public schools or of offering to accept boys at such low fees as could only be possible in a Government establishment. There is no question of subsidies. Indeed, the main object, if we do this, will be to lessen the cost of Dartmouth to the public by spreading the overhead charges over a larger number.

Mr. LAMBERT: What number of boys?

Sir B. EYRES MONSELL: I have given the information to the House, and I should like it to be discussed and thoroughly thrashed out. I am in no way committed. This brings me to another matter which is extremely interesting, not only to the Navy, but to all parents who may consider putting their boys into the Navy. It is the policy in regard to the number of cadets entered every year in relation to their ultimate prospects of promotion—prospects which, I think, can and should be very greatly improved, compared with what they are at the present moment. Every great war creates a surplus of officers during the periods of reduction which are bound to follow, and for the last 14 years we have had, most regretfully, to retire a very large number of officers by special retirement schemes, always the worst part of the administration at the Admiralty. I want to draw the attention of the House to the new problem which has been created since the War, not ephemeral, but, on the contrary, one which will get worse if it is not tackled and tackled very soon. I refer to the serious change which has taken place in the proportion of junior to senior officers compared with what that proportion was only about 20 years ago. This is due, I think, almost entirely to the increased complexity of modern mechanism, and it has been thought necessary to have in ships almost double the number of lieutenant-commanders and lieutenants than was thought necessary 20 years ago solely in order to supervise important and often isolated stations in the ship in action. All this time there has been no proportional increase in the number of senior officers.

The alteration in the balance between junior and senior officers has had at least two very bad effects upon the Navy. The first is that midshipmen and sub-lieutenants, especially in the big ships, never get a chance of taking charge at all. To have so many lieutenants and lieutenant-commanders for certain action stations is all right, but for the multifarious duties of the ship there are far too many officers, and the consequence is that the senior officers take charge and the junior officers do not get a chance. Another consideration is that petty officers are far too much supervised in their work and never get a chance of showing any initiative. The second bad effect of the proportion between junior and senior officers is that the promotion prospects of junior officers have been seriously diminished lately. As a matter of fact, at the moment it is very good, but I want to make it a good deal better. Many deserving officers fail to get over the first big fence of promotion to commander. What does this mean? It means the man being put ashore at an age when he cannot possibly give up work but at an age when it is almost impossible to get another job. I am sure that this fact must have deterred a good many parents from sending their sons to the Navy. So we intend to restore a more reasonable balance between junior and senior officers.

We have already reduced the numbers of Lieut.-Commanders in the large ships, but we do not intend to carry this policy to such an extent that the livelihood of existing officers will be jeopardised. There is only one way of doing it, and that is, to start from the bottom and control the number of boys entering the Navy from Dartmouth, and making that number such that every Lieut.-Commander who approaches the top of his list and is fit for the rank of Commander shall stand a reasonable chance of promotion. This policy will have two great advantages. The Navy will provide a much better career for the individual, and greater efficiency will be obtained afloat by giving to the junior officers and petty officers their fair share of executive control.

Last year when I presented the Navy Estimates I pointed out certain defects under which, in the best opinion of the Navy, the Service was suffering. The

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three principal problems which I then put before the House were: First, the training of the individual—officer, petty officer and seaman—with the idea of instilling responsibility and leadership and developing talent; secondly, the question of promotion, especially the promotion of the junior officer; and thirdly, the changes that occur in the personnel of ships during the commission. These changes occur far too frequently, with the consequence that a ship never gets a chance of properly settling down, officers and men never get a chance of properly knowing each other, and we cannot get that thing that we envy so much in the Army—the "regimental feeling." So this was the diagnosis that I made last year of what might be called the defects of the Navy, and, after a year's experience, I see no reason to alter that diagnosis.

I want to tell the House to-night some of the remedies that we have taken in the course of last year to try to cure these defects. I will first take the changes in personnel. This is no new question, this frequent change of men in ships. I discovered that I was bringing this question forward in very good company when I came across a letter written by Nelson, in which he said:

> "The disgust of the seamen to the Navy is all owing to the infernal plan of turning them over from ship to ship, so that men cannot be attached to their officers, or the officers care twopence about them."

I do not pretend that we have cured this evil in the course of the year. We have hardly touched the fringe of it, and I never expected that we should be able to cure it. I told the House last year that I thought that one of the chief troubles was that we were working on too narrow a margin of men; I mean, of men over and above those required to man ships. We are bound to have men on leave, men who are sick, men who are doing training, and men who are actually relieving crews out in China and all over the world. I warned the House last year that we should have to increase Vote A, and I said that it was a very serious affair. I have been somewhat taken to task by certain papers because Vote A is apparently to be reduced once more, and I must say that a look at the Navy Estimates would give you that idea. But it is not true. I think that everybody here who has served in the Navy knows that Vote A represents the highest number of men borne at any time in the year. The highest number last year was at the beginning of the year; the highest number this year will be at the end of the year. As a matter of fact, almost to-day we are at the lowest point of the curve to which Vote A has fallen since 1895. But almost from to-day it will start going up, and by the end of the year it will be increased by about 1,000 men. I could not do anything more than I have done. I could not do anything to touch Vote A until these Estimates came along, and in these Estimates we are entering the largest number of boys that our training establishments can hold; 2,500 boys as against an average of about 1,300 in the last four years. In addition to them we are entering 900 short-service seamen, as against an average of about 100 in the last four years. There is a special Motion dealing with this question of changes of personnel, which will be answered by my Noble Friend the Parliamentary Secretary, so I shall leave any more details of this question to that special Debate. But I wanted to take the first opportunity of correcting any wrong impression that Vote A was going downward, and to make the House realise that it is now on the upward grade.

I now come to promotions. Last year I had to give the House a very gloomy picture of the prospects of promotion for everybody in the Navy, owing to the great block at the top of the flag-list. The captains who were being promoted to rear-admiral were getting too old; the age was getting up too high. I am sure that the House will realise the importance of getting young and active admirals promoted to the flag-list. Further than that, however, the captains' list was getting so swollen that we actually had to foresee a time when it might be impossible for a year or half a year to promote any commanders to captain. If we had had to do that, it would have been a perfectly heartbreaking situation for junior officers in His Majesty's Navy. So I am glad to say to-day, a year afterwards, that the situation has changed entirely for the good. It is very surprising that the situation could have changed so quickly in a year's time. The improvement is almost entirely due to the voluntary retirements of six admirals, who gave up willingly their hopes and chances when they saw what a very bad state things were in with respect to promotion. They gave up these hopes and chances in order to facilitate the flow of promotion of junior officers. I hope that they will reap their reward for their unselfish, public-spirited and high-minded action when they see the result that they have been successful in bringing about. The first result is that captains are now, only a year afterwards, promoted to rear-admiral with 14 months' less seniority than they had. But, far more important than that, instead of foregoing a half-yearly batch of promotions from commander to captain, we have increased the number of promotions by approximately 25 per cent., and I have every hope and belief that that increase will continue. Of course, this is a great encouragement to junior officers.

The last thing about which I wish to speak is the question of the training of the individual. Last year I referred at considerable length to the training of the personnel of the Navy, and particularly to the idea of getting powers of leadership and command. To instil those qualities the younger you start the better. I am glad to be able to say that I have been down and seen one of the largest establishments for training boys, and there they are putting a very considerable proportion of their time into seamanship, boat-work and work of that sort. I was very surprised to see these youngsters, without any instructors, entirely on their own, taking charge of boats under sail and under oars in a most remarkably proficient way. In the large ships—and indeed in all ships in the Fleet—great attention is being given to seamanship training, to see that this work that boys get in their training establishments is carried on. It is more important to do it in the big ships, because the big ships are so insulated from the elements that the term "perils of the deep" means very much less to them than it does to the crews of destroyers or submarines, or to those who have to fly. A greater opportunity is being given to petty officers and leading seamen to take charge of their men, and I know one big ship where the officers are fallen out altogether and petty officers and leading seamen take entire charge of quite complicated evolutions.

We have made a big alteration in the examinations for petty officers. Formerly these examinations for leading seaman to petty officer were carried out in the candidate's own ship and the candidates were examined by their own officers. Now a squadron board is formed; it is called by the admiral in charge and is composed of officers from all over the squadron or Fleet. This gives a good deal more importance to the examination, but it also ensures absolutely fair treatment to all the candidates, because they are all examined under precisely the same conditions. I want the House to understand that this examination is a real test of the practical ability of a man to carry out the duties of a petty officer, and is much more than a mere test of his educational attainments.

I had hoped very much to ask leave of the House to build a ship—a sailing ship—for training purposes when I presented these Estimates. I am not doing so, because, apart from the question of finance, I found that a large number of senior officers in the Navy were opposed to this form of training. They advanced many practical objections, to which I can only oppose the arguments of a visionary. But the real question is this: the reintroduction of sail training into the Navy would be a radical change. If it is to be a success, it must not merely have acquiescence; it must be adopted with enthusiasm, and if it is not going to be adopted with enthusiasm I will not have it at all. What I said last year has, I know, raised great hopes among many officers in the Navy, and I know a great number who have given up their leave to go as hands in foreign sailing ships—because they cannot get into a British sailing ship—simply out of keenness and in order to train themselves for what they thought was coming. I do not apologise for having unduly raised their hopes, because I am quite sure that they will never regret the experience they have gained. Personally, I reaffirm my belief in sail training—not merely because it will teach a man to sail a ship, but because it will teach him seamanship; it will make him a seaman, and all that that implies. I wanted a sailing ship, above all, as a symbol of the fact that increased mechanisation must not blind us to the need of individual training. Even now, when my sailing ship has turned out to be a phantom and only the plans remain, I hope the Navy will never

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forget that every country can turn out mechanics but few can turn out sailors, and that it is owing to this fact that for a good many centuries we have borne the proud title of "Mistress of the Sea."

4.46 p.m.

Mr. GEORGE HALL: The very pleasant manner in which the First Lord has introduced the Navy Estimates to-day—it is only a repetition of the manner in which he introduced the Estimates last year—makes it very difficult for the bloodthirsty pacifists on this side of the House to find fault with the bloodthirsty warmongers on the other side of the House. We have listened to a lucid, informative and interesting statement. The present Government are fortunate in having the right hon. Gentleman as First Lord and the Navy also is fortunate in having him in that position. He is able to bring not only the practical experience of a naval officer but also the experience of many years as an administrator to his task. He made his statement very interesting by his references to Mr. Pepys and Lord Nelson, and I wondered whether he was going to give us a few more secrets from the archives of the Admiralty.

We agree largely with what he has said regarding the training of men. I am pleased that he has taken up that matter. In regard to personnel the right hon. Gentleman warned the House last year as to his views regarding the shortage. May I ask him whether he is now satisfied with the numbers included under Vote A between now and the end of the year. I was expecting, as a result of the statement he made last November, that there was a possibility of a very substantial increase in the Estimates. We also agree with him in regard to the question of promotion; but this is a mixed blessing. It means retiring men who are quite capable of continuing their work, transferring them from the active list to the Non-Effective Vote. In the present Estimate there is no less than one-sixth of the amount of the Estimate included in the Non-Effective Vote, and, therefore, one can see what the retirement of these officers, at what may be regarded as an early age, is likely to cost the nation.

The First Lord said that the increase asked for has aroused hopes and fears. I feel that it has aroused fears; and also hopes. We are now discussing the third Estimate for the fighting services; and in my opinion the most important one. It is the most important not only because they are the Estimates of the Senior Service but also because they are almost as large as those for the Army and the Air Force put together. The increase in the Navy Vote this year is large as compared with the increase in the Army and Air Force Vote. The hopes we had were that now that the Admiralty and the other fighting services have returned, as indicated by the Estimates, to what may be regarded as their normal expenditure that the financial difficulty with which the country was confronted a year or so ago has now passed away.

Sir B. EYRES MONSELL *indicated dissent.*

Mr. HALL: The First Lord of the Admiralty shakes his head. I have before me a Memorandum on the measures proposed by His Majesty's Government to secure a reduction in national expenditure, and in order to deal with what we were told was a grave financial crisis I find that the reductions in the three Fighting Services, provided for in this Memorandum, amounted to a sum of not less than £8,600,000. These expectations have not been fulfilled. Cuts were imposed on the social services and were largely carried out; but that cannot be said for the three Fighting Services. As a matter of fact, instead of a reduction of £8,600,000 being carried out the amount of the reductions actually imposed were less than £3,000,000; and this year the increases in the Estimates for the three Fighting Services amount to no less than £4,581,000. The First Lord rightly said that there were fears. We look upon these Estimates with considerable fears. I have heard no criticisms from economists on the other side of the House. The attitude of back bench supporters of the Government can best be described in the words of a leading article which appeared in one of the London newspapers when these Estimates were presented. It said:

> "The publication of the Navy Estimates to-day reveals the fact that, as we anticipated, here again the economists have been disappointed. They come to £3,093,700 more than the Estimates of 1932. That causes us no pain. Of all the foolish directions in which economy can be applied this is perhaps the most foolish."

We do not share that view. We say that the Fighting Services, in common with all other Services, should submit to the reductions which were imposed. There is an increase of £4,581,000 in the Estimates of the three Services. Compare that with the position in 1931. In 1931 the expenditure, estimated for and carried out before the so-called financial crisis arose, upon the three Services amounted to £107,329,000. The Estimates which the House is asked to pass this year amount to £108,946,000. Therefore, within a very short time of the so-called financial difficulty, we find that the expenditure on the three Fighting Services has increased by £1,600,000, very little below the expenditure of 1930. The First Lord prefaced the statement on the Navy Estimates last year by saying that the amount asked for had been fixed with a strict reference to the needs of the financial situation and must not be regarded as an adequate provision for the needs of the Navy.

He has said almost exactly the same thing this afternoon. He said that the Navy Estimates have been restricted by the exigencies of the financial situation and do not provide for all the potential needs of the Navy. I am rather inclined to ask him whether he believes that. I have in mind not only the statement of the right hon. Gentleman this afternoon but also the statement made by Mr. Bridgeman when he was First Lord in 1929. The Estimates of that year amounted to £55,000,000, a reduction of £1,435,000 on the Estimates for 1928 and the right hon. Gentleman in his explanatory statement said:

> "This considerable reduction is being made although no diminution in the strengths of the Fleet and Fleet air arm has taken place. On the contrary, modern developments have shown the necessity for two additional flights of the latter.

These Estimates satisfied the then Conservative Government and the then First Lord of the Admiralty. The Estimates this afternoon amount to £2,417,000 more than the amount asked for in 1929, and when you examine Vote I and Vote II you find that the savings under these two heads amounts to more than the difference, the increase, in these Estimates as compared with the Estimates of 1929. I know that construction is engaging the attention of the First Lord, as it has engaged the attention of his predecessors for many years. If one examines Votes 8 and 9, the Votes which deal with construction, you will find that in 1929 the amounts under these two Votes compare very favourably with the amounts this year. If we take the two Votes for 1929, Vote 8 (Three Sections) and Vote 9, we find that the amount was £22,698,000. The amount of the two Votes in the present Estimate is £22,433,000, a reduction of £268,000. But that reduction is accounted for almost entirely by the reduction in wages paid to men who are now employed in the various dockyards.

I do not think that the First Lord can express any apprehension regarding the personnel for which he is providing in these Estimates or in regard to new construction. It cannot be said that the Navy, or in fact any of the fighting services, has suffered in any way whatever as a result of the so-called financial difficulty of last year. The First Lord and the Board of Admiralty are, after all, building almost entirely to what is provided for in the London Agreement, especially with regard to cruisers, though perhaps not with regard to destroyers and submarines. Is it necessary to lay down or to make provision for the laying down of the four cruisers provided for in these Estimates? My right hon. Friend, of course, will argue that we are to carry out the term of the London Agreement. I would ask whether the other signatories to that Agreement are carrying it out by building up to the limit. Taking into consideration the difficulties with which the nations are faced to-day, and having regard to the fact that the Disarmament Conference is still meeting in Geneva, would it not be a gesture to that Conference to have some relaxation regarding the laying down of these cruisers?

I expected that the First Lord would have given us some indication of the statement which has been made by the Prime Minister at Geneva to-day. We would like to know whether the attitude of the Government has changed in connection with this question. We must remember that we are now in the second year of the Disarmament Conference, a conference which was looked forward to with very high hopes for some years. At present the conference is just struggling on. The thought of that alone can have no other effect than as a shock to the

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minds of every representative of the 60-odd nations and the 1,700,000,000 people they represent. Here we are in a period of unparalleled misery, with millions of people in our own country and tens of millions throughout the world suffering from a want of the bare necessities of life. With the world passing through financial difficulties, here are the so-called civilised nations spending more on armaments than in any former time in history.

For more than 12 months the Disarmament Conference has been sitting and has failed to produce any practical results. Far be it from me to suggest that the Government of this country are alone responsible for the situation, but I am of opinion that no great Power can repudiate some measure of responsibility for the deplorable disappointment of the high hopes with which the conference started. The Prime Minister and the Foreign Secretary are making an attempt to save the conference. I do not know whether their hands are strengthened as a result of the increase in the Estimates of the three fighting services in this country. I doubt whether that can be so. We fear that the nations of the world are falling back to their old war mentality. The old fears, the old superstitions regarding security, are returning, and the same kind of argument which was familiar before 1914 has returned and is used quite unashamedly in 1933.

If the position could be approached as a question of international agreement was approached at the time of the Washington Conference, which was after all the first disarmament conference, what a wonderful result could be obtained. The Washington Conference resulted in 70 battleships being scrapped, some of them old, some of them in the course of construction and some on which 90 per cent. of the work had been completed. The total tonnage to be scrapped was 1,770,000, which saved the nations no less than £400,000,000. When the Disarmament Conference last year was in danger of breaking down some proposals were submitted by the then President of the United States. In our opinion His Majesty's Government have not yet given an effective reply to those proposals of ex-President Hoover. In the course of his speech in November of last year the First Lord of the Admiralty did refer to those proposals, but he simply reiterated what was then the attitude of the Government—that there could be no reduction in the number of capital ships and no reduction in the number of cruisers.

Sir B. EYRES MONSELL: In the size.

Mr. HALL: There was a proposal to reduce the size, but that was when we came to the replacements. Nothing could be done regarding the number of capital ships which we had, or the number of cruisers which we were entitled to build under the London Agreement. Has the attitude of the Government regarding capital ships changed since the London Conference was held in 1930? During that conference the Prime Minister and the Government dealt in a memorandum with the question of capital ships. The Government said that in view of its tremendous size and cost the battleship was of doubtful utility, and that the Government would wish to see an agreement by which the battleship would in due time disappear altogether from the fleets of the world. That was the view of the Board of Admiralty and the Government at that time. Why should that expression of opinion not be carried out?

In the Hoover proposals did not the opportunity come to make some contribution to that end? Those proposals were made, as I have indicated, when it was thought that the conference could be saved, for had an agreement been reached it would have meant the scrapping of some of the larger ships. The 15 which were allowed to Great Britain would have been reduced to 10; the same thing applied to the United States; and the Japanese nine would have been reduced to six. The British Government have never explained why we should refuse to reduce the number of battleships by agreement with the United States and Japan, which alone is suggested. None of the other Powers, not even France or Italy, possessed post-Jutland battleships. The Government still insist upon the 15. The right hon. Gentleman has reminded me that he was prepared to reduce the size from 35,000 tons to 22,000 tons. I ask whether the figure of 15 is sacred and irreducible, and is the tonnage of 22,000 the lowest which the Admiralty can suggest?

The tonnage of battleships has a very striking history. A revolution has taken place not only in the growth of the tonnage of battleships and the calibre of guns, but since the War in a reduction of tonnage and the calibre of guns. In 1906 the then Sir John Fisher, afterwards Lord Fisher, introduced the "Dreadnought," with its 18,000 tons and 12-inch guns, and we thought that the limit had been reached; but increases gradually took place, and in 1920 we saw the battle cruiser "Hood," of 42,100 tons, which cost £6,000,000. By this time all the great Admiralties were hard at work designing the ideal ship in which the lessons of Jutland and other battles could be embodied. The right hon. Member for Sparkbrook (Mr. Amery), who during the earlier post-War years was at the Admiralty, said that a few hours of actual fighting were sufficient to revolutionise ideas as to the armament and design of battleships. The ships which were proposed about that time were those which, in the opinion of naval experts, were of such a size that they alone could provide security for the country.

Of what kind were those ships? The race had then begun. Japan proposed to build by 1928 two battleships of 33,000 tons, two of 40,600 tons, four of 45,000 tons, and two battle cruisers of 40,000 tons. The United States planned for the completion by 1925 of 12 ships of over 42,000 tons, whereas we in the autumn of 1921 proposed to lay down four battle cruisers of over 47,000 tons. Then the Washington Conference was held and limited the size of battleships to 35,000 tons. A strange thing happened. The lessons of the War, the few hours of actual fighting which would revolutionise ideas as to the armament and design of battleships, were found to be compatible with the idea of smaller and still smaller battleships. The 22,000 tons battleship now proposed by the Admiralty is, we think, an admirable proposal. But if 22,000 tons is the right size what are we to think of the "Nelson" and "Rodney," which are of 33,500 tons and cost about £7,000,000 each. Why should we not believe that the 22,000 ton battleship is the right size and not excessive?

The Conference of 1922 limited the capital ship to 35,000 tons. At the Geneva Conference in 1927 the British Government proposed that the maximum should be 30,000 tons, which meant a saving of 5,000 tons and of £1,000,000 of money. In 1930 the British Government were aiming at a maximum of 25,000 tons with an expression in favour of complete abolition. This year at Geneva 22,000 tons has become an acceptable figure. The latter part of the record is creditable to the British Admiralty since, with ratios fixed, it is showing an attempt to reduce the size and cost of future battleships. At the same time it can be argued that the waste of competitive battleships is discreditable to the Admiralties concerned if they cannot be limited to 22,000 tons, or as we trust a smaller figure. We stand where the Prime Minister said he was in 1930, just before the opening of the London Conference, in favour of getting rid of battleships.

Again, may I ask why the Government are adhering so rigidly to the number of battleships and other ships. I am not going into the difficulty which has arisen at the Disarmament Conference. We know the attitude of France, dependent as she is upon her submarines as a set-off against battleships. Italy has said that if the British Government scrap their capital ships, Italy is prepared to scrap her submarines and thus we see the battle going on. What we ask is that the British Government, through the Prime Minister and the Foreign Secretary, should make some gesture which would bring about results and save the Disarmament Conference. We on this side would be prepared to leave it to the Prime Minister and the Foreign Secretary if they would only carry out the principles to which the Prime Minister gave almost a lifetime of service until he joined the present Government. Not only the Prime Minister but the Foreign Secretary strongly advocated disarmament. We remember what the Foreign Secretary's opinion was regarding disarmament before he assumed that office. I recently read an article written by the right hon. Gentleman in which he said:

> "There has never been a time in the history of mankind when so many people were, in their hearts, convinced that military preparation leads only to war. They may think that armaments are inevitable but they know that they are futile. The ghastly fallacy that if you wish for peace you must prepare for war, has very few defenders to-day. The world has been taught better. What is the good of having

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guns to play with if they are never to be let off? What is the use of drilling soldiers if they never fight? "

He then quoted some poetry:

> " How oft the sight of means to do ill deeds,
> Makes ill deeds done! "

He went to to say:

> " We watch this piling up of the means of destruction but we know that instead of building a sure bulwark for peace, it is really assembling fuel for a conflagration even more terrible than the last."

If we felt that the Foreign Secretary and the Prime Minister had those words before them at Geneva this afternoon we would be quite content. To turn to the details of the Estimates, we are pleased to see that the First Lord in his Memorandum refers to the fact that a contract has been placed for a quantity of oil fuel produced from British coal. We think that this has come at an opportune time. For years among the warships of every kind controlled by the Admiralty only the two cruisers of the Australian Navy, the " Adelaide " and the " Brisbane," have been fitted to burn oil or coal. All the others are fitted as oil burners. In that respect this country stands alone. All the battleships of Japan, new or old, are fitted to burn either oil or coal and the same can be said of French and Italian battleships. In the Japanese Navy all cruisers completed before 1928, with the exception of three, were fitted to use either coal or oil, while some of the older cruisers are fitted to burn coal only. The same can be said of France and Italy. In the case of France some of the newer cruisers completed as late as 1930 are fitted to use oil or coal.

This year the Estimate for oil fuel is £1,012,000 or £67,000 more than a year ago, while the amount for steam vessel coal is £208,000 or £27,000 less than a year ago. Thus we see the gradual increase in the amount of oil fuel and the gradual decline of the coal which is being use for naval purposes. These figures will be painful reading to those interested in the coal-mining industry, especially miners who are unemployed. Unfortunately, so far from the Admiralty reconsidering the question of using coal, all other nations are following the example set by this country. From replies given by the First Lord regarding the quality of the oil, it appears to be indicated that this oil to which I have referred is doing its work quite satisfactorily. May I ask whether it is being tried alone or whether it is mixed in the proportion of 50-50 or of 25-75 or of 75-25 with naturally produced oil? May I also ask whether it is the intention of the Admiralty so to encourage production that we can look forward to a large development of this venture? I trust that it will be possible to obtain a substantial proportion of the oil required for naval purposes in this way even if a fixed price has to be given for a fixed period, so as to encourage a number of the other producing companies to send their oil along to the Admiralty. If that guarantee were given, it would be of considerable advantage to the coal-mining industry, the Navy would be less dependent on foreign oil, and it would not be to the loss of the nation.

In dealing with my next point I may be regarded as a little inconsistent but I wish to ask the Admiralty, seeing that there is no intention of reverting to coal, whether sufficient attention is being given to the use of internal combustion or Diesel engines. Reports from Germany indicate that the Germans are now placing these Diesel engines in all their new construction and that the installation of these engines means a reduction in personnel, that they give a very long range of action and tend to a general increase in efficiency. I should like whoever replies on the Estimates to deal with that point. The First Lord and the Board of Admiralty can regard themselves as very fortunate in that we see here a gradual reduction in Vote 10. Indeed, comparing Vote 10 in 1933 with Vote 10 in 1923, we find a reduction of almost one-third or nearly £1,000,000. In the Estimate for this year, out of the amount provided, no less than £588,000 is to be spent on Singapore. That, in itself, is £104,000 less than last year. Again, I say that my right hon. Friend and the Admiralty are fortunate in that this year we see the falling-in of the annuities which were being paid and which represented the amount borrowed under the old Naval Acts from 1905 onwards. It is interesting to know that all submarines are now equipped with the Davis submerged escape apparatus. May I ask whether all officers and ratings told off for submarines are being trained in the use of that apparatus?

Sir B. EYRES MONSELL *indicated assent.*

Mr. HALL: If so it is serving a very useful purpose. The First Lord in his statement referred to the fact that there was a large increase in the number of ships which it is proposed to put out to contract in private yards. We on this side do not regard that fact with very great happiness. During 1930-31 a number of destroyers were built in the yards. I understand from the statement of the First Lord that in the allocation of the new tonnage no destroyers are to be built in the Royal Dockyards but all are to be placed out under contract. It would be interesting to know the result of the experiment, if I may so describe it, which took place in 1930-1931 in the building of the destroyers in the yards. It would be interesting to have a comparison as regards cost. Is that why the First Lord or the Board have been so prompt to place all this new construction of destroyers in the private yards? Those who sit on these benches representing as we do a great movement in this country would welcome any agreement which could be brought about at the Disarmament Conference leading to a substantial reduction in armaments. We hope, nay we pray, that the efforts of the Prime Minister and the Foreign Secretary will be successful, for we are of opinion that only a world-wide movement for peace can provide a tolerable basis for the lives of men and women to-day and that the achievement of peace will prove to be one of the stepping stones to the salvation of mankind.

5.30 p.m.

Mr. LAMBERT: My hon. Friend the Member for Aberdare (Mr. G. Hall) concluded a very eloquent peroration with the expression of a desire for world peace. We all desire that peace shall reign in the world and that the Disarmament Conference shall succeed, but I am certain that my hon. Friend is much too fair a controversialist even to hint that the present Prime Minister is not thoroughly sincere in endeavouring to bring that Conference to success. The present Prime Minister, to his great honour, visited Washington on a somewhat similar mission some years ago, and I am sure that my hon. Friend is convinced in his own mind that the Prime Minister is really sincere in his efforts at Geneva to bring this Disarmament Conference to a success, as is the Foreign Minister also. I noticed that my hon. Friend, in dealing with this subject, had no constructive suggestions to put forward. I think that if there are two men capable of representing Britain at the Disarmament Conference, they could not be found more capable than the present Prime Minister and Foreign Secretary, and I am sure their heart is in their job. It is really a sad commentary on human folly that we are still talking of wars and preparations for wars, but the dangers which we escaped only a few years ago are very much too recent in our memories to permit us to risk failure to provide an adequate naval defence for our own country.

I regret, with the hon. Member, that there is to be an increase in the Navy Estimates, but the defence of this country is really the paramount question. I can see, as an old member of the Board of Admiralty, that there will be a considerable increase. My right hon. Friend has brought in additional new construction—I do not blame him—and additional personnel, and that is bound to be reflected in next year's Estimates. In dealing with my hon. Friend's arguments, I omitted to congratulate my right hon. Friend the First Lord, who is, as we all know, a fine, typical specimen of a splendid Service, on his opening speech. He talked about the heart of the British taxpayer being broken, but what we want in these matters is to be quite certain that the British taxpayer is getting value for his money, defensive value, for I do not think that under any Government the British Navy will be used as an offensive force, except when we are attacked; and I think the British public are willing to pay for that defence, providing they get their money's worth.

My right hon. Friend talked about the reduction in the Admiralty staff. If I might go back to the time when I was at the Admiralty, in July, 1914, when we were preparing for Armageddon, the naval personnel then, officers and men, was 146,000; the other day, in February, my hon. Friend the Financial Secretary told me the figure was 89,984. But the staff is very much greater, and I do not understand why. The Admiralty staff in July, 1914, when there were 146,000 officers

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and men of the Royal Navy, was 1,920; in February of this year it was 2,680. Why is there this increase of staff at the Admiralty? I have never been able to understand it. I have asked questions, but I have never got an explanation. If the proportions were the same as in 1914, of Admiralty staff to naval personnel, the staff, instead of being 2,680, would be 1,150. My hon. Friend gave me some figures about the out-port establishments, dockyards, and so on. In 1914 they were 69,284; now they are 64,122, although there has been this great decrease in the number of men afloat. Again I do not understand it. If the proportion was the same as in 1914, the dockyards and out-port establishments, instead of being 64,000, would be about 45,000.

Therefore, it seems to me that the Admiralty is keeping something like 20,000 men on the pay-rolls ashore. Is that giving us value for our money? Will these gentlemen in comfortable berths ashore add anything to the naval strength of the country? I can quite understand that my right hon. Friend has great difficulty in this matter. The Admiralty may be tender-hearted and may not care to exercise the pruning knife ruthlessly, but I would suggest that there might be a division in the Naval Estimates, that they should divide the humanitarian side from the defensive side, because it is unfair to put on the Naval Estimates money voted, say, to help the Unemployment Fund.

Having said that, I want to deal with another topic, and I will do so very generally, because all the time that I was at the Admiralty I knew nothing about the technical side of it, and never attempted to do so. There were far too many very able officers there who knew their job, but I am going to ask the First Lord of the Admiralty, Is there now co-operation between the forces, more especially between the Air Force and the Admiralty? That is, I think, extremely important. In the late war the Navy was supposed to have kept the ring. I remember that that phrase excited the late Lord Fisher tremendously; he was very angry about it. I want to ask, What are the co-ordinating links between the Air Ministry and the Admiralty? This new force is very formidable. Its development, of course, is only in its infancy, and we have seen what has happened in the last few years. The cruisers, destroyers, and submarines which my right hon. Friend is laying down are very much the same as they were a year or two ago, but the Air Force has made a tremendous advance, and I want to ask, What are the relations between the Admiralty and the Air Force? Do they meet? Is the Air Force consulted by the Admiralty?

Undoubtedly, in any future war—and one hates to talk about it or to think about it—the air must play a big part. I was much interested the other day to read of the mutiny that was quelled on a Dutch battleship by the dropping on it of one bomb. That is an enormous force. I quite understand that the right hon. Gentleman is thinking that that bomb was dropped and that the aeroplane was not fired at. That is true enough, but the very fact that the bomb was dropped on that ship, and that it brought the mutineers to book, is a very interesting commentary on the efficacy of aircraft. With regard to the Fleet Air Arm—and I am putting these questions in no spirit of hostility; I want to help—who designed the machines that belong to the Fleet Air Arm? Was it the Air Ministry or the Admiralty?

Sir B. EYRES MONSELL: The Air Ministry.

Mr. LAMBERT: I am glad to have that information, because that fact cannot be satisfactory. You have a double or a divided responsibility, which is absolutely disastrous. We know what it was in the great Battle of Jutland, when there was considerable recrimination between two admirals. I do not want to go into it, but they were both in one Service, and naval discipline controlled both, but in this matter of the Admiralty and the Fleet Air Arm, that the machines should be designed by the Air Force is wholly wrong. It cannot be right. I do not know anything of the relations between the two, and it would be out of order to make the suggestion, which I made some years ago, that the Air Force and the Admiralty should be amalgamated, but I do say that there should be the closest co-operation between the two. As I understand it, the connecting link is the Committee of Imperial Defence, but the Prime Minister is much too busy to co-ordinate the two. I notice that my right hon. Friend the Lord President of the Council has come in, and I do not know whether he undertakes that as his duty, but that it is important from the point of view of the country getting the best defensive value for its money, I am certain. Let us take the question of the protection of commerce, which has always been the responsibility of the Navy. In the future it is certain that aircraft will be very formidable as against merchant ships, and I want here again the closest co-operation to exist between the two Services.

May I ask a few questions about our naval bases? We have naval bases at both Chatham and Sheerness, and they are on the South Coast, and therefore within easy reach of aircraft from the Continent—within easier reach than other ports. Have the Admiralty considered this point? Have they asked the opinion, say, of the Air Ministry as to whether Chatham and Sheerness can be damaged almost irretrievably in time of difficulty? I am asking these questions because I want to know. These bases at Chatham and Sheerness are costing a great deal. Is it giving the nation fighting value for its money to keep two naval bases on the Southern coast, like Chatham and Sheerness, as close to the Continent as they can be, and has that been considered by the Admiralty and the Air Force? I can quite understand that the Admiralty would not care to shut up either Chatham or Sheerness. These towns have grown up round the Admiralty; I understand that perfectly. But there are greater considerations than that. There is the consideration of the safety of the country. Suppose our ships in time of difficulty—and I hate to think of this time of difficulty—are based upon Chatham and that is bombed, disorganised and possibly destroyed. Then it becomes a consideration for the safety of the country. Portsmouth may be open to bombing by aircraft, and I would ask if Portsmouth Dockyard, which is the principal dockyard, is defended by the Admiralty, the Army or the Air Force? I am simply asking these questions for information, because I am not a naval expert, but there are certain common sense principles that everyone can accept and I think that these questions require enlargement.

My hon. Friend opposite referred to the Singapore Base. In its inception I opposed it. It was commenced in 1921 and has had many vicissitudes, but the Board of Admiralty, backed by the Government of the day, have decided to build that base. What is to happen there? It is a very big base. In the Estimates this year there is a sum of £6,917,000 for the naval base itself. Then there is machinery £810,000 and furniture £23,000. That is a total Admiralty expenditure of £7,750,000. There has already been spent there on the oil fuel contract something like £1,000,000. I understand that the Jackson contract for the completion of the base is to be finished by 1935. That amounts to £5,100,000, and I do not know whether it includes the floating dock, £971,000. What are the plans of the Admiralty with regard to the future of Singapore? With regard to the Estimate of £810,000 for machinery, it is obvious that a base 8,000 miles away is valueless without machinery and without houses for the mechanics, and for the hundred and one things necessary for docking a battleship. Is it intended to erect this machinery and the other facilities for docking a battleship? Otherwise, this money will be wasted.

I was informed the other day that the Air Force had spent £521,000 at Singapore and the War Office £600,000. That brings us into commitments of capital expenditure of something like £10,000,000. Of course, that is not much in these days, but in my younger days it was a great deal. I do not want to press my right hon. Friend the First Lord if he cannot given an answer now, but I think that the country has a right to ask as to the future of Singapore which has had this enormous amount of money spent upon it. What protection is there against aircraft attacks at Singapore? At Chatham and Sheerness we have the other forces near, but Singapore is 8,000 miles away and if it were attacked I do not know what would happen. I put these questions in no spirit of hostility to the Admiralty, but I am trying to help and to see as far as I can that the country shall get value for its money.

5.50 p.m.

Sir HERBERT SAMUEL: I propose to ask for the attention of the House for a very few minutes and to limit myself mainly to addressing certain questions to

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the representatives of the Government. We are now moving Mr. Speaker out of the Chair, and there will be other opportunities for discussing specific points later in the Session. The whole House was pleased with the presentation of the Estimates by the First Lord. He knows well from long experience how to manage the House of Commons, and now that he has exchanged the whip for the trident his old experience is still valuable to him. The substance of the statement which he had to make to the House was very grave for he was inviting Parliament to vote this year an additional £3,000,000 from the taxes for the purpose of armaments, and this at a time when in all men's minds is the urgent necessity for the most resolute economy that can possibly be achieved. This Government and this House are pledged to an energetic enforcement of the rules of economy, and yet we find it necessary to consider increased Estimates, in addition to certain increases in the Army Estimates, of no less than £3,000,000 for the Navy.

My right hon. Friend the Member for South Molton (Mr. Lambert), who has made many speeches in the House as the stern, uncompromising, ruthless advocate of economy, finds himself to-day, like most other Members when it is a matter in which they are specially interested, ready and willing to make an exception of this one instance because he himself, as a former member of the Board of Admiralty, is deeply interested in naval matters. I observed in the speech of the First Lord one omission. I listened to it with attention, but from beginning to end there was not one reference to the International Disarmament Conference. No one in the House and hardly anyone else advocates one-sided disarmament. No responsible person would run the risk of leaving this country disarmed entirely in an armed world. The future is too uncertain.

> "Let observation with extensive view,
> Survey mankind from China to Peru."

In both those countries we see that the advocates of force have by no means disappeared, and the preservation of peace is by no means assured, not only in China and Peru, but in a good many countries in between. So we must pin our hopes upon joint and simultaneous action, and it is for that purpose that the Disarmament Conference has been labouring for so long at Geneva. Last July it arrived at a unanimous resolution which pledged all the States to favour a simultaneous reduction in all three arms—land, sea and air. With regard to the Navy, the conference at Geneva requested that the great naval Powers should enter into consultations with a view to effecting great reductions. That was last July. We are now in March, and so far as I am aware, we have had no account of what has been happening in those consultations. Now that we are asked to vote an additional £3,000,000 on the Naval Estimates, the House of Commons should be told what has occurred in those consultations, whether they have been proceeding, whether they have achieved any measure of agreement or any approach to it, and, if not, on whom lies the blame for the failure. The Prime Minister to-day in Geneva has been making a statement urgently appealing at this eleventh hour for a measure of agreement at the Disarmament Conference in order to save it from failure, and, while he is making that appeal in Geneva, the British House of Commons on the same afternoon is considering an increase of £3,000,000 in the British Navy Estimates. We should have some explanation of that apparent inconsistency and some indication of how these Estimates of the Government are related to the policy of the same Government as expounded at Geneva.

At an early stage of the Disarmament Conference in November, 1931, the Assembly requested the Council to urge the Governments convened to that conference "to give proof of their earnest desire for a successful issue to ensure an organised peace, and without prejudging the recisions of the conference"—which had not yet met but was about to meet—"on the programmes or proposals submitted to it by each Government, to refrain from any measure which involved an increase in their armaments." That was acceded to by all the Governments participating in the conference, and for a year up to November, 1932, that truce was maintained, so far as I know, loyally and honourably throughout the world. In November, 1932, when it expired, it was renewed for four months at the request of the Disarmament Conference. That four months has just expired, and I want to ask the Government whether in any degree these Estimates indicate a departure from that truce. I imagine that the answer will be in the negative. I should like to be assured that these Estimates do not involve an increase in armaments but a replacement, and are merely carrying out the Navy Estimates of the Labour Government, the execution of which has been postponed, and that the ships now to be built were provided for by hon. Members opposite when they were in power.

Mr. THORNE: When they were in office.

Sir H. SAMUEL: Yes, when they were in office, but I do not know that there was any division of opinion on that point in the House of Commons at that time. I only wish to have the assurance, so that any uneasiness in the public mind can be allayed, that these Estimates do not involve any departure from the armaments truce agreed to at Geneva and that they are not justified by the technicality that that truce has in fact run out a few weeks ago. The great danger is that the world may think that we are starting a fresh competition in naval expenditure. The truce having lasted for this length of time, and these Estimates being now introduced, there may be a feeling in this country and elsewhere that Britain is now taking the lead, the initiative, in an increase in armaments' expenditure. I would like the Government to give us some reassurance on that point.

We have in recent years been reducing our naval expenditure. In 1929 it was £56,000,000, in 1930 £52,000,000, in 1931 £51,000,000, and in 1932 £50,000,000, and now it has gone up to £53,000,000. There have been considerable savings on pay and in other matters, and I would like the right hon. Gentleman to tell us how much the expenditure of the Navy has been reduced by the cuts in naval pay, because if the Estimates are going up although expenditure on pay has gone down, what may be called the military expenditure of the Navy will have increased even more than is apparent on this figure. Further, the cost of many supplies has been falling with great rapidity in recent years, and there ought to have been a large saving on foodstuffs and materials of many kinds. Under these two heads, pay and supplies, there ought to have been a considerable saving which should be available for the benefit of the Exchequer, and therefore of the taxpayer, or else for increasing the efficiency and strength of the Navy. Can the right hon. and gallant Gentleman give us any indication of what has been the real increase on the naval side during the last few years, taking into account these savings in expenditure?

I noted what the right hon. and gallant Gentleman said about the increase of recruiting which is to take place at the end of the present financial year. He said the number of boys to be taken in would be doubled, and the number of short service seamen recruited would be increased, as I understood him, from 100 to 900. Does that involve a large demand for further increases in expenditure next year, and if so what is likely to be the amount? If the House agrees now, without comment, to this increase in personnel it may find itself next year faced by the First Lord of the Admiralty, whoever he may be, with a statement that this is an automatic increase already sanctioned by the House and told that a further increase, possibly of a considerable figure, in next year's Estimates is unavoidable and must be accepted by the House. These are the questions which I venture to address to His Majesty's Government. As I have said, there may be occasions later in the course of the passage of these Estimates through the House when we may have other observations to make with regard to the proposed increase in the amount to be expended.

6.5 p.m.

Vice-Admiral G. CAMPBELL: I wish to offer my humble congratulations to the First Lord of the Admiralty upon the introduction of the Naval Estimates and upon his explanation of them. I do not think he need have any fear that the House will hesitate to vote money for anything which is required for the naval defence of this country providing hon. Members are assured that full economies have been made in every possible direction. I am going to take the liberty of suggesting one or two ways in which I consider that further economies might be effected. Like many speakers who addressed the House during the consideration of the Army Estimates, I am looking forward to the time when the Estimates for the three Services may be presented as one Estimate, and, further, looking forward to the time when we shall

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have a Ministry of Defence and one Minister responsible to this House for the defence of the country. In that way, and in that way only, shall we get the maximum of efficiency with the maximum of economy. Co-operation in itself may be a fine thing, and is often well carried out, but it is not perfect.

I am sorry that the First Lord did not say a little more about what has taken place between the Air Force and the Admiralty, more especially in connection with the development of the flying boats. I cannot help thinking that the flying boat must have a future. There must be many duties which during the last War were performed by our cruisers and small craft which can now be undertaken by flying boats at a much cheaper cost. I cannot believe that the large number of cruisers which had to be employed during the last War in hunting down such vessels as the "Emden" would be required at the present time to deal with enemy raiders, because squadrons of flying boats stationed at focal points would put the enemy raiders at a great disadvantage compared with the position in the last War.

The number of cruisers which, according to the Admiralty, will be required for the defence of our trade routes is estimated to be somewhere in the vicinity of 50 at the end of 1936. I am surprised, on looking at the Estimates, to see that the cost of a present-day small cruiser is somewhere in the neighbourhood of £1,500,000. That appears to be a very excessive sum when we remember that similar ships were built at a quarter of the cost in pre-war days. It does not appear to be very clear where the extra money goes. I hope the First Lord, surrounded as he is by high technical officers, will not allow himself to be led into building our cruisers as miniature battleships, fitted with every gadget under the sun. I do not think it is necessary in the case of a light cruiser, whose chief duty is the defence of the trade routes. Gun controls and things of that kind do not need to be of an elaborate nature, because electric control arrangements can very easily be put out of action by a single well placed shell.

Another point I would like to mention with regard to the cruisers is that out of the number of 50 which the Admiralty forecasts for 1936 10 or 20 will be obsolete, or, I should say, over age, and to allow that state of affairs I regard as false economy, because if we are to have a small Navy it is more essential than ever that it should be efficient and up to date. I hope that steps will be taken to see that all our cruisers whatever the number we decide upon, are most efficient and up to date, because it is not fair to send men to sea in ships which are not equal to those of a possible enemy. On the other hand, I do not in any way advocate that large sums of money should be spent on our present battleships. I am surprised to see from the Estimates that £1,500,000 is being spent on the old battleship "Barham," which is nearly half as much as it cost to build her in 1914.

I hope that after the International Conference we shall see the battleship abolished altogether, because it is an unnecessary expense and I doubt its usefulness at the present time. If the Admiralty are to find the money for maintaining our strength in cruisers, and replacing the old ones, undoubtedly economies will be required in some directions. The First Lord rather cheered us when, in introducing his Estimates, he started on economy at the Admiralty, and I was hoping that some wonderful result would be forthcoming. I think he got as far as the fact that the Accountant-General's Department and the Secretary's Department had been amalgamated, and that he was looking in due course to save about £30,000. I do not call that a very great economy at the Admiralty. Figures which we were given in the House yesterday showed that the number of naval officers employed at the Admiralty is twice what it was in 1914, although the personnel of the Navy has been reduced by nearly half.

The First Lord stated that this increase in naval officers was chiefly due to the fact that nowadays we have a large naval staff, such as did not exist in 1914. That is perfectly true, but in my view the naval staff has gone from one extreme to the other; I believe that we are far too heavily staffed at the present time. I feel that this increase of naval staff, not only at the Admiralty, but at our home ports, and in our flagships, has done more to stop the initiative, the independence and the power of command of junior officers of the Navy than anything else which has happened since the War. One of the most remarkably successful events in the last War was the mobilisation of our Fleet in August, 1914, and its movement to its war stations, and that very fine accomplishment was performed, presumably, without a staff at the Admiralty. With all the staff now at the Admiralty I do not believe that that evolution could have been performed better.

The point about the Admiralty is as to whether the staff should be naval officers or civilian officers. One seldom meets a naval officer who does not say that there are too many civilians at the Admiralty. I think that is a very open question, not to be settled in a few words. I think that the number of civilians at the Admiralty is far too great, but, on the other hand, I think the proper place for a naval officer on the active list is at sea, and that the administration of the Navy should as far as possible be performed by competent civilians. I go further, and say that if about one-third of the Admiralty were removed to-morrow by a stroke of the pen the efficiency of the Fleet would not suffer one iota, in fact, I am not at all sure that it would not increase, and undoubtedly there would be economy. I remember some few years ago, when there was trouble in Shanghai, meeting in Whitehall a naval staff officer from the Admiralty. He was bubbling over with excitement about the situation in Shanghai and I asked him how things were going. He said, "Isn't it splendid? We get in touch with the commander-in-chief in Shanghai in the matter of a few minutes now by wireless." All I replied was, "God help the commander-in-chief."

The First Lord has gathered round him a Board of Admiralty which holds the respect and the confidence of the whole Navy. I think Nelson would have referred to the Board as a fine band of brothers. They are one of the finest Boards of Admiralty I have known since I joined the Navy; but I think we are asking a lot of them when we ask them to cut down the Admiralty. I do suggest, however, that they would add to their prestige if they asked the First Lord or, through him, the Prime Minister to appoint some such Committee as there was at the War Office and in other Government Departments to go into the question of the organisation of the Navy, to see whether reductions and economies can be made and exactly what staff is required and what is not. The Committee might report that all the people at the Admiralty were a lot of archangels, who could not possibly be replaced, but they might also ascertain that they could be replaced. A report from such a Committee would increase the confidence of the country, and we should know when we are asked to spend money on the Navy that it was not being wasted on the administration at the Admiralty.

Any ordinary person who compares the size of the Navy with what it was in 1914, is bound to have great doubts which I do not think that anything short of a committee would remove. Before leaving the subject of the Admiralty, I would like to ask the First Lord whether he does not think that the time has now arrived for the Board of Admiralty to be strengthened by the Engineer-in-Chief of the Fleet becoming a member of the Board? The days of sail are gone, and the majority of the Fleet is now mechanical in one way or another. There is a higher technique, and the personnel of the Navy contains a large number of engineers. The Engineer-in-Chief and Engineering Branch during the whole of the Great War, never let the Navy down, and it is time that the engineering department was represented by a seat on the Board of Admiralty, for the sake of efficiency and justice.

I cannot agree with the views of the First Lord on the subject of Dartmouth College. I was very much surprised to hear that he has made economies there and has increased the size of the classes of instruction. I am not for cutting down the education at Dartmouth College, because the education of the officers and students generally is of very great importance. The educational side of the Navy is very nearly the last on which reductions should be made. We now have officers entering through Dartmouth College, or, alternatively, through the special entry. If one is better than the other, why have two? If Dartmouth College is better than the special entry, presumably those who go into the special entry must know that their chances of

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promotion in the years to come are less than in the case of those who go through Dartmouth College.

There are great sentimental feelings attached to Dartmouth which cannot be ignored, even though in these days of extreme necessity of economy we may have to put them rather on one side. My own experience, having commanded both Dartmouth cadets and public school cadets, leaves me no hesitation in saying that public school cadets make better officers than Dartmouth cadets. The initial training is far superior. Dartmouth is run, and must be run, under dual control. There are a captain and a headmaster. Co-operation in control in certain circumstances, and in certain conditions, undoubtedly works well; you have only to look at the National Government to see that. At Dartmouth the headmaster is there for a considerable number of years, while the captain is changed every two or three years. I do not think that that is an efficient way of running a training establishment, nor do I know any other training school or public school which is run on dual control.

Another advantage of taking cadets only through the special entry is that the Admiralty would not have to look so far ahead in regard to the number of officers that will be required. The Dartmouth entry is four years earlier than the special entry, which means that the Admiralty has to look four years further ahead in the matter of lieutenants and commanders than it does with the special entry. I have heard it said that the public schools do not encourage boys to go into the Navy. There is a certain amount of truth in that, but that could be overcome. If schools knew that the special entry was the only form of entry into the Navy, and if the ages were adjusted, it would be more simple, and would suit the schools better. Naturally, at our best schools, it is not liked that the best boys who are good in Rugby and cricket should be taken away just when they were getting into the first eleven. I quite understand that, but that is only a matter of about six months' adjustment. A boy in the special entry is older, and he knows his mind better as to whether he wants to go into the Navy or not. I am sure that if the chances of a career of a boy in the Navy were dealt with on the lines I am suggesting, the First Lord might never want for boys in the Navy.

The only objection that I have heard against closing Dartmouth College is that if Dartmouth were abolished the Admiralty would get too many boys from the secondary schools coming into the Navy through the special entry. I see no objection to that. I am not going to say that every boy from a secondary school or that every boy from a public school will make a successful naval officer, or every young student who distinguishes himself at the University in various ways. What I say is that men of character, such as are required for officers in the Royal Navy, can be found in all parts of the community in this country, and that it is up to the Admiralty to find them, which they could do by suitable examination and by taking into their confidence the headmasters of our public schools and other schools, and telling them exactly what they require. I hope that these two matters of the economies at the Admiralty and Dartmouth College will receive the First Lord's attention. I think that the expense of a Dartmouth cadet is far greater than that of the special entry cadet. If there would be any advantage, I should favour the closing of Dartmouth College as an educational establishment straight away.

I should have liked to say a few words about the personnel of the Navy——[HON. MEMBERS: "Go on."] Time is going on, and also there is a special Amendment on this subject. One has to remember that, however good a ship may be, it is no good unless you have a well-disciplined and contented crew aboard it. I have been rather inclined, ever since the War, to think that the Admiralty have been paying too much attention to material, and not sufficient attention to personnel. I am glad to hear from the First Lord that this matter is receiving his personal and first-hand attention, and I hope that that will continue. Looking through the figures of the Estimates for this year, I came to the conclusion that the proportion of officers is far greater than that of the men. We have about one officer to every 10 men, and that is far too high a proportion in my opinion. It is helping to crush the younger members of the Navy from showing their initiative and power of command.

The First Lord specially referred to the fact that improvement in promotion in the Navy has taken place during the year, owing to the voluntary retirement of six distinguished Admirals in order to make room for junior officers. The six officers who retired in that way were of high rank and they undoubtedly deserve the thanks of the country for their very fine public spirit, but I do not think that it is the proper way to obtain promotion to commander and captain in the Navy by officers at the top of the tree voluntarily retiring. It is not very fair upon the officers in the higher ranks of the Navy who do not retire to make room for the younger officers, because they at once lay themselves open to the suggestion that they are blocking the top of the List. I would prefer that the Admiralty brought in a very definite regulation as to the retirement of officers at the top of the Navy List.

In conclusion, I would like to say how pleased I was to hear the First Lord's concluding remarks, when he said that he had been unable to obtain his sailing ship but he did tell us how some of the young officers had volunteered to give up their leave in order to make themselves fit for sailing ships; and some, I believe, are actually going to sail home in quite a small boat from China. That shows that we still have the right spirit in the younger generation in the Navy, and I hope that the First Lord will do everything to encourage that spirit. While we will always support further economies, let him ask the House for anything else he requires in the way of men and ships for the defence of this country, and I have no doubt that he will get it.

6.26 p.m.

Mr. DAVID DAVIES: I do not intend to deal with the vast details of the personnel of the Navy, but I desire to make one or two observations, not so much to the First Lord as to the Admiralty itself. I appreciate the importance of the First Lord making provision for safeguarding the shores of this country, but the Government's action in indicating expansion of expenditure is not in keeping with the cry of economy that we heard at the General Election, particularly in view of the enormous depression through which we are passing. During this year we have had evidence each day in the Votes that have been taken in this House, of a departure from the policy that we believed had been enunciated in the country during the last election—the policy of attempting to secure peace throughout the world. On Monday of this week, the House received with great admiration an announcement by the Lord President of the Council that the ban upon the export of arms had now been removed. At the same time he announced that two representatives had gone to Geneva to hold out the hand of friendship to other members of the League of Nations. While they are dealing with that matter at Geneva we are making preparations for intensifying the difficulties with which they will have to contend. The other nations in regard to our offer of peaceful friendship will say that they recognise that hand as the hand of Esau while this House is giving expression to the voice of Jacob.

I want particularly to direct the attention of the First Lord to the importance of doing something tangible for the mining industry. I believe in the ideals of peace, and I believe in expressing them in this House. In doing so, I represent a very large volume of pacifist sentiment in my division. A departure by this Government from those principles is a betrayal of their promises to the people of this country during the election. It is true that man does not live by bread alone, but it is necessary that he should have bread to live, and, therefore, I desire to direct the attention of the First Lord to the possibilities that exist in connection with the fuel problem of the Navy.

In the area from which I come, we have a very large number of miners unemployed, and this National Government, when it came into existence, tentatively, at any rate, promised those miners restoration of their employment. They have been sadly disappointed. The demand for coal, apparently, has gone down, both inland and export, and I think that this is an opportune moment for the Navy to do something tangible in attempting to restore that great basic industry. I know I may be told that to suggest going back to raw coal for the Navy is to turn back the clock of progress; but I want to submit very respect-

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fully, as a layman, without claiming any technical knowledge, but only claiming to have read the scientific developments up to date, that it is possible to utilise for the Navy fuel in the form of raw coal. I do not think that the Navy has done all that it ought to have done in connection with that matter. Having regard to the fact that this country is dependent, whether for the purposes of its own defence or of attacking any other country, upon foreign fuel, I do not think all has been done that ought to have been done in attempting to develop our own resources.

I want to submit that pulverised fuel has a very great potential future, and I would submit, further, that it may have a potential future even in the Navy. But, whether there are doubts or not about pulverised fuel being a practical proposition, there is a form, which is certainly technically sound and practically right, that could be used by the Navy, namely colloidal fuel; and I would like to ask the First Lord whether any experiments are being conducted at the moment in order to test the efficacy of colloidal fuel. If colloidal fuel could be developed and become a piece of practical politics as far as its use in the Navy is concerned, it would give a fillip to a dying industry. I have read recently that experiments have been conducted in the Cunard liner "Scythia," in which it has been found possible to combine 60 per cent. of pulverised fuel with 40 per cent. of oil. It has been claimed that that would give the boats a greater range than they have now, and it could be produced in this country, thereby making us independent of foreign supplies. To the extent that it would do that, it would enable us to balance our Budget, and our imports of oil would not be so great.

It may not be possible for us to produce sufficient for the whole of our requirements in this country, but we could satisfy them to a very large extent. The amount that that would involve would not solve the problem of unemployment in the mining industry; it would be a drop in the ocean; but I want to submit that, when the Navy embarks upon its oil policy, other people follow it, and, to the extent to which the Navy departed from oil, or, at least, returned to something like sanity and used colloidal fuel of home production, an inducement would be offered to the mercantile marine and to the users of land engines in this country, and that would render enormous assistance in finding employment. I am not suggesting that that should be done on sentimental grounds; I want the question of the utilisation of pulverised fuel and colloidal fuel to be dealt with on a purely economic basis. I do not suggest that mining should be subsidised, but that the calorific value of raw pulverised fuel and colloidal fuel, and the means by which our boats are now propelled, should be tested.

The information that I have procured indicates that it would be an economy to use colloidal fuel or pulverised fuel. I want to reinforce the arguments advanced by my hon. Friend the Member for Aberdare (Mr. G. Hall), when he made reference to the fact that experiments are being conducted in Germany which have shown that great efficiency results from the utilisation of Diesel engines. Professor Bone, who has conducted very extensive experiments in connection with pulverised fuel in this country, says that the Diesel engine can now be run on pulverised fuel instead of heavy oil, and that, with small adaptations, it can also be used in ordinary internal combustion engines. I should like the potentialities in that direction to be examined. All that I would ask is that such examination should be made without prejudice, that the oil policy of the past should not prejudice the examination of the factors involved by the use of a new type of fuel. I am confident that, if such an investigation were permitted, it would reveal the fact that we in this country are losing on the calories that we import from abroad.

We have to remember what an enormous development has taken place in steam practice since 1913. With ordinary raw small coal, the range of a ship has been increased by modern steam practice by more than 1,000 per cent. It used to take, in 1913, from 6½ to 7 lbs. of coal to generate a unit of electricity. In modern steam practice it is possible to generate a unit of electricity by the consumption of slightly over 1 lb. of coal. I want to submit that, if the question of range in the Navy were a question of the amount of coal and the efficiency with which it is employed, the range now would be over five times greater than it was in 1913. The First Lord shakes his head, but it seems to be obvious that, if I can produce a unit of electricity with 1.2 lb. of coal, when it used to require 6½ or 7 lbs., I have inflated my range, judged by calorific value, by four or five times. That is an enormous increase, but, compared with the use of pulverised fuel, it is very inefficient. Pulverised fuel shows a far greater efficiency, and has revolutionised the use of raw coal since 1914.

This country's greatness was built up on coal, but, when history comes to be written 100 years from now, unless we change our policy of taking oil from abroad and substitute coal, the historian will write that the decay of this great country started when we commenced importing calories instead of exporting them. I want to submit to the First Lord of the Admiralty and the Admiralty Board that they should not be satisfied to depend upon private enterprise for these developments. It has been argued this afternoon that the life of the Navy is the life of this country, and it is worth while securing a proper circulation for the life of the Navy from our own products. Private enterprise ought not to be relied upon for these developments, but the Board of Admiralty itself, assisted by the Government, should conduct these experiments, in the hope of finding a practical solution. That would mean the utilisation of our own coal and the employment of the miners of this country.

6.43 p.m.

Mr. HOLFORD KNIGHT: The hon. Member for Pontypridd (Mr. D. Davies) speaks from the experience of long and devoted service to the interests that he represents, and I am certain that his suggestions will receive the careful consideration of the Board of Admiralty. I rise to express a point of view upon which I have taken every opportunity presented to me in this House of remarking. I have felt it my duty for several years to comment on the Estimates of the Admiralty from a particular point of view. Before doing so again, I want to say that I can recall no circumstances in which these Estimates have been laid before the House in which more serious reflections were excited by the situation in which we find ourselves. The First Lord opened with an appeal to all quarters of the House to provide adequate defence for this land, and that appeal will not be made in vain. In the past, that appeal has been criticised in circumstances which are not available now.

This is not the occasion to go into the details of the present situation, but it will be the general desire of the House that the representatives of this country, the Prime Minister and the Foreign Secretary, will be successful in the efforts which they are making to revive the conference on which not only the general mass of the people of this country, but the mass of the people in all lands, have fastened their confidence. Whether they will consider it part of their duty to make suggestions to the other Powers for the better conduct of the conference we must wait and see, but there seems to be something seriously wrong with the way that conference has been managed. I think the representatives of this country might well take an opportunity of consulting with the representatives of other countries as to whether some better management could not be provided. Be that as it may, the fact remains that the conference appears to be drifting to disaster, and from all quarters of the House, representing opinion in all parties and in no party, there is a general desire that this effort of the representatives of the Crown to save the conference should be successful.

The right hon. Gentleman the Member for Darwen (Sir H. Samuel) asked to be assured that these Estimates did not indicate any departure from the truce which was completed and extended at Geneva and which is about to expire. He hoped it did not mean that Great Britain was about to lead the world into another increase in naval expenditure. His observations sounded to me like those of a man who was willing to wound but afraid to strike. Did he mean by that an attack on these Estimates, or was it merely an adjuration to the Government that they should take no course which would have the effect that he deprecated? On several occasions I have had some difficulty in understanding what exactly is the attitude of the right hon. Gentleman and his friends to this administration. They continue to sit on these benches, where we like to have their company. [*Interruption.*] The hon. Member says

[Mr. Knight.]

he belongs to another party. I am not referring to him. It is for the advantage of the House that we should be able to detect the opponents of this administration, and it is an advantage that they should sit together, but I find some difficulty in understanding what is the right hon. Gentleman's real intention. I see no inconsistency in the Government seeking every opportunity to continue and extend this truce while they lay before us the Estimates which they think necessary for the adequate defence of the country. I say that with some emphasis because of the view that I take of the present situation.

I would not by any word or suggestion deepen the alarm that is felt outside the House as to the situation. I want to confine myself to a practical suggestion about these matters. At this time of day it seems to me idle to make general reflections about the desirability of peace, and adjurations to other nations to pursue peace. Those of us who take the responsibility in this trying hour of occupying the attention of the House have a duty put upon us to make a practical suggestion which may ease the way out of the *impasse* in which the country finds itself. I rise to make a suggestion which I have made in all previous Debates on these Estimates in which I have had an opportunity of taking part. I do not, for obvious reasons, endorse the suggestions of the hon. and gallant Gentleman opposite as to economies in the Service. I have no title to say anything about those matters, but this plea for economy in expenditure is wholly consistent with the provision of adequate defence of the country in a difficult situation. At the same time, we must relate that economy to the necessities of the situation, and, while the Government are pursuing at Geneva and elsewhere efforts to reach accord with the other naval Powers which will have the effect of bringing about economy, I want to bring to their attention a practical matter to which, I think, they might give very close and earnest consideration.

The First Lord made use of an expression which I thought was rather unhappy. He spoke of Great Britain as the mistress of the seas. That is a description which is not calculated to assist the efforts that are being made at Geneva. It will do harm if it is intended to mean—I cannot believe it is—that Great Britain still claims to control the high seas of the world. That claim cannot in reason be preferred. It is inconsistent with our international obligations, and I hope it does not mean more than a perfervid and poetical description by a gallant officer who now finds himself in the proud position of presenting the Estimates of his great Service. While the Government are carrying out these Estimates as necessary for the security of the country in its present trying situation, they should pursue all endeavours to bring about a reconsideration of the defence of the trade routes. Those trade routes are not British possessions. They are the arteries of world commerce, and must be brought under the regulation of an international law with the provision of a tribunal before which disputes can be brought. At present that seems to be a far off event, but it is an aim which I ask this Administration to pursue. There is a particular direction in which, I think, immediate fruitful results can be obtained, and that is that discussions should be opened up with America in order that a friendly accommodation as to the protection of these trade routes should be reached. I believe considerable and representative elements of opinion in America are prepared to enter on that discussion which, after all, is in pursuance of the undertaking that we gave at the Conference of Versailles. Further, I believe that line of approach not only indicates the nearest way out of the difficulties between ourselves and the Americans, but points to the way in which accord and co-operation between these two great nations full of promise for the world can be approached.

I hope the place of experts in these discussions will be carefully regarded. It is the business of statesmen to think out policy and of experts to recommend and advise the means necessary for the support of that policy. I, therefore, press upon the First Lord that in these discussions, which I hope will take place in confidence between the two Great Powers, matters of policy and the principles that underlie them shall be the express business of the statesmen, and that experts shall not be called in until that policy has been agreed upon, and then only when it is necessary to seek their advice. One of the main reasons why the Disarmament Conference has drifted almost to disaster, it seems to me, is not merely lack of good management, but the fact that experts have been allowed to wrangle interminably with each other year in and year out while the statesmen have failed to assert their rightful place and lay down the principles on which the Conference should proceed before calling in the experts to advise them. I make that practical suggestion. It makes for true economy. No one in his senses would desire that this country should continue the heavy duty of policing the high seas of the world when other nations were prepared to assist in that undertaking subject to this safeguard, that in that policing duty there should be a law which all nations concerned would take part in formulating, The result would be undoubtedly a scaling down of expenditure which would be full of advantage to every State concerned, and not least to ourselves. Furher, it would be an example which Great Britain could set to the world. We have given many examples in the past.

It is the desire of our people in all parties and none that Great Britain should give a lead in these matters. I notice that some bills have been thrown here—a very improper action, but it is an indication to my mind of the desire that is felt throughout the country that the Government, while providing adequate support for the country in a very difficult situation, should lose no opportunity of pursuing the general work of peace and giving that lead to the world which Great Britain is expected to give. These appeals are being made in all directions. I observe that the clergy are to make another effort. I have not been impressed by the exertions of the clergy in the past. I think we have to get beyond these pulpit generalities, and some schools of politicians have to get beyond generalities about disarmament and have the moral courage, if necessary, to risk unpopularity by pointing to practical suggestions. I feel intensely, and strongly, about this matter, and I have tried to say that which I felt I ought to say with as little feeling as possible, because I know I am stating a view which is not acceptable to many Members of this House. In the last Parliament I had a very difficult administration to address as the Admiralty was in very inadequate hands. But in that Parliament numbers of those sitting on these benches were in general agreement with me. In this House the situation has changed. Parties have come together in comradeship, and in that feeling of comradeship and good-fellowship, Members can listen to a different point of view, and consider suggestions made in a general scheme of co-operation. I have ventured with great submission to make this short observation, and I commend it very strongly to the attention of my right hon. Friend, to whom I offer my congratulations.

7.2 p.m.

Mr. RALPH BEAUMONT: While it can hardly be pretended that the Navy Estimates are completely satisfactory, or that our shipbuilding programme has been so speeded up as to remove all our doubts and fears, yet I think it would be ungenerous not to admit that the increase in the provision for naval construction is extremely welcome. Further, while it certainly does not meet the full needs of the Navy, and it does not by any means ensure that we shall have our requisite number of up-to-date ships by 1936, it does represent a certain speeding up of building, and a definite determination not to allow even the urgent need for economy to cause further postponement of building programmes. Besides, this extra allotment of money for construction purposes will give a very welcome relief to our shipbuilding yards, where so many skilled workers unhappily find themselves in continued unemployment.

There are, however, several disappointments in these Estimates. At first sight there appears to be a still further reduction in the personnel of the Royal Navy. I am certain that hon. Members were glad to hear from the lips of the First Lord that the reduction is more apparent than real. It is somewhat disappointing, however, to find that the number of dockyard workers again shows a further reduction. No doubt that is a continuation of the policy, which has been adopted during the last few years, of allowing wastage to take place, without at the same time allowing any new recruitment to replace that wastage. If that is allowed to continue of course the number will still further dwindle. One cannot help wondering whether this is not

[Mr. Beaumont.]

likely to threaten the efficiency of the dockyards, and whether the time will not come, in the not very far distant future, when the personnel of these dockyards will be found to be inadequate, not only from the point of view of construction but also from that of repair work.

While it has been rightly decided that our shipbuilding programme can no longer be delayed, it does not appear that there is to be very much making up of lost ground in the direction of repair work. During the last few years not only have the building programmes been held up, owing to the demand for economy, but so also, to a certain extent, have larger repairs and detailed refits, which have to be carried out periodically. It seems quite possible, therefore, that the time is not far ahead when accumulated repair work will constitute too great a demand upon the capacity of the dockyards. When we further remember that the extension of the life of our ships, under various naval agreements, means that more frequent refits will have to be carried out to keep these ships at sea, one fears that one day there will be very serious congestion in the Royal dockyards, which will be further aggravated by the policy of allowing the present personnel slowly and surely to diminish.

One further matter regarding the dockyards I would like to mention is that, during last year, there have been, at any rate at Portsmouth Dockyard, discharges of electrical fitters. These men have served their apprenticeship, and become skilled electricians at considerable expense of time and money, both to themselves and to the State. In addition to the hardship and disappointment caused to the men themselves by their discharge, it does seem to be very doubtful wisdom on the part of the State, and hardly an economy, to apprentice men for whom no permanent positions can afterwards be found, or to discharge numbers of these men, after their apprenticeship has been served, and thus lose a very valuable supply of skilled labour which the State has created at considerable expense. No doubt the amount of electrical work available depends largely on the rate of progress of construction. I should be very glad if the Civil Lord, when he replies, can reassure us as to this apparent waste of valuable material, and give us some indication of the policy of the Admiralty on the question of dockyard apprentices and ex-apprentices.

In many directions these Estimates must still cause serious misgiving. The new programme still leaves us some way down the list of the navies of the world in modern destroyers and submarines. It is obvious that we cannot have our requisite number of under-age cruisers by 1936. We have learned during the last few years to expect very little, and so, I suppose, we must be duly grateful for the increase we have actually got this year. Urgent as the need for economy undoubtedly is, the time has come when this new construction can no longer be postponed and, furthermore, this increase in the Navy Estimates should be very heartily welcomed by those who are continually demanding that the Government should undertake schemes of development and encourage public works. After all, the work of building these ships is one of the very best forms of public work for, so far from being unproductive, it is productive of national security. The bulk of the money is spent directly or indirectly in labour. It means steady work for our dockyards, brings a real measure of relief to some of those yards where unemployment is so heavy and saves numbers of skilled shipwrights from the despair, hardship and deterioration which accompanies prolonged unemployment. I believe there is general and widespread disappointment that the Estimates so far submitted show little, if any, reduction; but very few hon. Members will deny that there is ample justification for this increase in the Navy Estimates. We are only making up a little of the leeway we have lost during the past few years and, as the First Lord himself admitted in his Memorandum, even this increase in the Navy Estimates does not fully provide for all the potential needs of the Navy.

7.10 p.m.

Mr. COCKS: In considering these Navy Estimates, one cannot help the thought coming into one's mind that there is growing up, all over this country, a great revulsion against war. For example, a speaker at a public meeting, especially in one of our industrial centres, who asserts that in no circumstances whatever would this country ever go to war again is certain to have that remark greeted with tumultuous applause. As the chaos of Europe grows greater, and the lightnings begin to flash over Europe, the revulsion against war is assuming rather strange forms. Take the case of the Secretary of State for Foreign Affairs in this House the other day with reference to the trouble in the Far East. He seemed to think that the great thing was to assure the world that in no circumstances would this country ever be drawn into it. The same sort of feeling—for people know how horrible and terrible war is and how near is the danger—caused the right hon. Gentleman the Member for Epping (Mr. Churchill) two days ago to make a speech in which he advocated that this country should free itself from all entanglements and all engagements; turn its back upon Europe and adopt a position of armed neutrality, even if that meant, as he said it would mean, a large increase in our Naval, Military and Air Estimates.

Now I am an advocate of peace, and an advocate of disarmament, but I do not believe we shall ever be able to get peace by shirking our responsibilities, and getting rid of or denying all our international engagements. It seems to me that the policy advocated by the right hon. Gentleman the Member for Epping was exactly like that of a man, who, seeing another man waylaid on the highway by highway robbers, instead of going to his assistance shrugs his shoulders, turns away, and leaves him to be robbed or assassinated. When I heard the right hon. Gentleman the Member for Epping I felt that he, too, was feeling the onset of the years. These were not sentiments he would have used some years ago—those glorious, far away days of his military adventures in Cuba, at Omdurman, of the advance from Antwerp, and the retreat from Pretoria. The right hon. Gentleman has played many parts, but I never thought I should be here to hear him advocate for this country a policy of pusillanimity.

In my view the only way by which peace can be secured is by a policy of ordered security. I believe it is only by developing the structure of international law, and by visiting the offender against that law with swift and condign punishment, that we can bring about a condition in which disarmament will become possible. That is why in recent months I have viewed the situation in the Far East with such grave concern. If the Covenant of the League and the Kellogg Pact are to be flouted with impunity, then there is no chance of disarmament, and no chance of peace. If international law is to be disregarded and a policy of armed neutrality adopted, then the British Navy is too weak for the work it will have to do in the future. If we are to have neither the security given by an international system nor the aid given by allies—and the idea of having allies was also repudiated by the right hon. Gentleman—we shall have to proceed to build a far more formidable Fleet than we possess at present. The First Lord of the Admiralty make an attack upon what he calls bloody-minded pacifists.

Sir B. EYRES MONSELL: Bloodthirsty pacifists.

Mr. COCKS: I was mixing up the right hon. Gentleman with what the Foreign Secretary said the other day. I do not personally take the line which he had suggested of at the same time advocating the reduction of the Army and Navy below the level of efficiency and advocating interference in foreign troubles and international conflicts. At the same time what is worse than this is the man who adopts the gospel of militarism and scorns arbitration and covenants for the preservation of peace, who thinks these covenants are of little avail, and yet, having brushed them aside altogether, is content with a fleet which in such circumstances is not strong enough for the work it has to do, and is in a large and important area of the surface of the world at the present time in a position of lamentable and humiliating inferiority.

Apart from the way in which the Covenant of the League has been flouted, I would like to bring to the attention of the House the proposals made by the Government of Japan for disarmament as far as their Navy and our Navy are concerned. At the present moment the ratio in capital ships between ourselves and Japan is 15 to 9. The Japanese have come to Geneva and proposed that we should sink or destroy four battleships, whereas they should destroy only one battleship, thus making the ratio 11 to 8, and bringing Japan very much nearer to our strength. In 8-inch cruisers the

[Mr. Cocks.]

ratio at present is 18 to 12, and the Japanese Government have proposed that we should sink six of those cruisers whereas they should sink only two, so that the ratio in future would be 12 to 10. We should then have only two more cruisers than they possess, although their Fleet is concentrated in one part of the world where we have great interests, whereas our Fleet has to guard trade routes in all the seven seas of the world. They have also demanded that with regard to smaller cruisers, destroyers and submarines there should be parity between the two Fleets. Such a proposal could not be considered for one moment. It is one which must be instantly rejected. I would say further, that if that State continues to flout the public law of the world and if she becomes as under her present rulers she seems bent on becoming, the Carthage to our Rome, it will be necessary either to increase our naval forces and have a bigger Fleet in the Pacific, or to enter into consultation with the American Government with a view to co-operating in some scheme of mutual defence of our possessions in that great ocean.

I wish to deal with one or two questions of internal administration. I would ask the First Lord, why should we keep up Dartmouth College in order to provide secondary education for officers of two branches only of the Fleet—the executive branch and the engineering branch—and not the paymaster and accountancy branches or any of the other branches? The parents of those going into other branches of the Service or into any other Department of the State have to provide their own secondary education. It is only in those two branches that we have State-assisted secondary education. The First Lord said that he was afraid that he would not get the necessary entries into the Navy if Dartmouth were abolished. Since the introduction of the special entry system in 1913, over 1,000 cadets from public schools have entered the Navy, in addition to those who have entered the other branches of the Service. Of the 1,066 who have entered from public schools, 28 have already been promoted commanders, which shows that they were found to be efficient officers. In addition there have also been commissioned 470 ratings from the lower deck to the executive branch, and 230 engine-room artificers to commissioned rank. Ten of these have been promoted to the rank of commander, and 40 promoted to that of engineering commander—a tribute to the ability of those officers. Surely, the objection to Dartmouth is the expense, for in spite of what the First Lord said about cutting down the expenses, he stated, in answer to a question yesterday, that the cost per cadet was £300 more than the cost to the State of cadets going in by the special entry system.

Sir B. EYRES MONSELL: Over six years.

Mr. COCKS: Yes, but £300 for each unit. That seems to be a matter of considerable importance. What has happened to the report of the Bennett Committee which was appointed some years ago and has reported, though the report has never been published? I understand that the Admiralty appointed another committee to inquire into the findings of the Bennett Committee, and that finally the whole thing has been shelved. One reason which has been put forward for retaining Dartmouth is that it enables officers in the Navy to get their children into the Navy cheaper than if they had to pass through the ordinary public schools. If the First Lord of the Admiralty says that that is not the case, I will withdraw what I have said.

Sir B. EYRES MONSELL: It is the same for everybody.

Mr. COCKS: Surely the sons of officers in the Navy come under a specially reduced fee system?

Sir B. EYRES MONSELL: They all come in on their merits, and we have specially reduced fees according to the income of their parents.

Mr. COCKS: Whether their fathers are in the Navy or not. I think that by abolishing the Dartmouth system and having instead the special entry system, there would be a wider field of selection at a more suitable age. After all, 13½ is rather an early age to decide whether a boy is fitted to be a naval officer or not. There would also be less wastage between the years 13½ and 17½ owing to cadets being invalided or dying and if boys were taken at 17 it would be possible to secure more rapid expansion in the case of war. I suggest that the entries to Dartmouth should be reduced by 50 per cent. this year, and then gradually reduced until the establishment is abolished.

Another point I want to put to the First Lord has reference to commissions from the lower deck, about which I put several questions to him recently. It is very desirable that the system of giving commissions to the lower deck should be increased. Last year only eight ratings were promoted to sub-lieutenants, and only four from the engine room branch. To promote only 12 out of the thousands on the lower deck is rather an absurdity when you say that you are going in for a democratic system and intend to promote men from the lower deck. How many does the First Lord intend to promote this year under this scheme? I was glad to hear from him yesterday that officers selected from the lower deck are to undergo a preliminary course at Greenwich to enable them to compete on equal terms with officers from the cadet entries.

Something has been said about the surplus of officers. In 1914, although we had 146,000 officers and men in the Fleet, with far more vessels than we have now, there were only 1,493 officers, whereas to-day, although the establishment has been reduced to 91,000 officers and men, and although the units are far less numerous than in 1914, the number of officers has gone up to 1,748—a considerable increase. As far as the men are concerned their numbers have been reduced to the barest necessity of Service requirements. What happens as a result? I have been told that ratings coming home from foreign service are entitled to 14 days leave for every year that they have been abroad, but, having had their leave, they often find on going back that their names are posted for foreign service again. Officers get 30 days leave for each year they have served at a foreign station, and after that they are very often employed at home, or on shore training courses, or get pay without any employment at all, due to the fact that there is a surplus of officers.

I am sure that the Navy is a happy Service, but I am told that at the same time there is considerable dissatisfaction about the reductions and cuts in the pay of the Navy. The men were cut by a larger proportion than were the officers. In 1922 a seaman gunner, with two good conduct badges, with a wife and two children, received 4s. 6d. a day, 3d. for being a seaman gunner, 6d. for his badges, and 3d. for grog money, a total of 5s. 6d., or 38s. 6d. a week. To-day he has been reduced to 35s. a week, and at the same time his marriage allowance has been reduced from 23s. 6d. to 15s. a week. He has been reduced in the last 10 years from 62s. to 50s., a very large percentage—over 20 per cent. The officers have been reduced only to the extent of 11 per cent. Ordinary seamen's pay has been reduced from 2s. 9d. to 2s. a day, a reduction of 27 per cent., and the seaman boy, who received 2s. a day in 1919, now only receives 1s. 3d., a reduction of 37½ per cent. On the other hand, midshipmen have not had their pay reduced at all. After all, the sailor works seven days a week and often in very unhealthy climates, and we cannot expect him to go ashore without spending a little money. It is time that some of the cuts imposed upon the Navy by the Bank of England were restored. The well-being of the Fleet is far more important than the well-being of financiers. I have far more regard for the health and happiness of the bluejackets than I have for the bankers.

I have said that I am a pacifist, and I am a believer in Disarmament. At the same time, considering the dangerous state of the world to-day and the absolute failure of the Foreign Secretary——

Mr. BUCHANAN: The Prime Minister, too.

Mr. COCKS: Well, I do not exclude the Prime Minister. Considering the absolute failure of other Departments of the Government, I do not criticise the First Lord for bringing in slightly higher Estimates than last year. He is only doing what I hope I should do if I were in his place in the circumstances: standing up for the efficiency of the great Service of which he is the head.

7.31 p.m.

Mr. J. WALLACE: I shall not detain the House very long, but I cannot help thinking, after the speech of my hon. Friend, that it does not constitute a tribute to his great authority and well-

[Mr. Wallace.]

known political knowledge that he should suggest that the Bank of England was responsible for the cuts in the Navy—or, indeed, for any other cuts. I do not suppose for one moment that he meant it seriously, but expect that it is merely another example of that political persiflage of which he is such a master. I shall not attempt to follow him in the points of his speech, especially in his elucidation of technical matters, because, frankly, I think that he knows much more about them than I do. But I have listened to a great deal of information during this Debate, first of all in the speech of the First Lord and then in that of the hon. and gallant Admiral, who, while supporting the Government, offered them the frankest possible criticism in the best possible spirit. After such a speech by one with his distinguished record and great knowledge and interest in the affairs of the Admiralty, I feel that I myself may take a little courage in pursuing the same course.

Coming away from those great questions of policy and administration, I should like to give this Debate, just for a few minutes, a little local colour. I regret very much that it is no longer possible for me to read those Estimates and digest the information in those 403 pages with any particular personal interest, for I no longer, in the real sense, represent a dockyard constituency. At one time, not so many years ago, these Estimates had a direct relation to the fortunes and prospects of Rosyth Dockyard. To-day, however, by implication—because there is hardly a reference to Rosyth Dockyard—they deal only with the misfortunes of Rosyth. That great dockyard is comparatively silent and deserted. For some reason Rosyth has become the Cinderella of the dockyards of Great Britain, and there is no sign in the meantime that the Fairy Prince will come to the rescue with the magic slipper. That is a role which I should like to see filled by my right hon. Friend the First Lord; he could do it so perfectly and with all that grace, courtesy and charm which we all know he possesses in such a very high degree. In a time of great national emergency Rosyth played a memorable part, and the city of Dunfermline had every right to believe—and was led by the Admiralty to expect—that Rosyth would be maintained as a great unit in our system of naval defence. Millions were spent upon its construction, and I do not believe that there is a single naval officer of any standing who would not give willing testimony to its modern equipment during the War, and to its efficiency and outstanding service in the War years.

Why has Rosyth been virtually thrown upon the scrap-heap, while the activities of the Southern dockyards are in full operation? Why is it condemned as only worth continuing upon a care and maintenance basis? I am in no way fitted to judge of the strategic reasons which may have influenced the decision to relegate Rosyth to the background, but in these days of the mechanisation and rationalisation of industry it seems extraordinary to me to ignore real efficiency and to preserve in the South the existence of dockyards less efficient and less modern. It is a reversal of the old order of the survival of the fittest. Rosyth, with all its modern equipment and facilities, situated as it is on one of the finest waterways of the world, has from the dockyard point of view become the despised and rejected. Is it too late to reconsider the claim of Rosyth, and to recognise the sacrifices and willing service which the city of Dunfermline rendered to the Government in the hour of the country's supreme need?

I look at this question not only from the point of view of efficiency and justice, but also from the point of view of the serious condition of unemployment in that district. The whole constituency is under the gloomy cloud of unemployment. In the linen trade the factories have been closed down and thousands of men and women have joined the ranks of the unemployed. Prosperity has departed from the coalfields, and the whole industrial situation there in the Dunfermline district and Bo'ness is serious beyond description. I urge and plead for a reconsideration of the whole position regarding Rosyth and I do so very respectfully, in the name of justice and in the cause of efficiency, as a claim for the recognition of the rights of Scotland. After all, Admiralty decisions are not like the laws of the Medes and Persians, which could not be altered. This is a National Government; it must take the national point of view. I respectfully suggest that no longer should powerful Southern interests and considerations be permitted to override the legitimate claims and rights of that old country that lies beyond the Tweed. Even if strategic reasons prevail—and if they are sound they must and ought to prevail—I contend that in the departments of repair and reconditioning there is still great work to be done at Rosyth, and the interests of that yard in my judgment, are paramount.

I leave that question, and wish now to refer for a moment to one or two smaller matters. Last year, when these Estimates were before the House, I referred to the question of the repair of oil ships; I wish to bring that matter up again. Wherever there is work to be done on those ships at Rosyth, such as the scraping of the bottoms of the ships, the repainting, and the repair of zinc plates or underfittings, everything which can be done by the present staff at Rosyth should be done. There is a strong feeling up there that sometimes those oil boats are sent to Leith, although without any increase of the supervisory staff at all the work could be carried out at Rosyth. I should like to have that matter inquired into. Another small question is the employment of yard lads at Rosyth. Last year I mentioned this matter in the House, and the Civil Lord promised to look into it. Perhaps I may refresh his memory on the subject and, if it is not convenient to-night, ask him to let me have an answer at some other time. One more question: the dockyard at Rosyth frequently requires various classes of machinery, but up till now, although there is a very good engineering plant in Dunfermline, no quotation has been asked from local contractors. Might I ask my right hon. Friend to inquire into this matter also? Unemployment is so serious up there at the present time that even a few men extra employed in any of those works is of very great benefit to the city of Dunfermline.

I do not wish to detain the House further. I have mentioned one major issue and one or two minor considerations, but in my mind the major consideration is uppermost. I beg for the further consideration of the whole Rosyth problem. Even if for the time being the Admiralty has written "Ichabod" on the walls of Rosyth Dockyard, I should like it to remember that the potential glory still remains.

7.42 p.m.

Sir PARK GOFF: I venture to intervene for a few minutes as representing the senior dockyard. As long ago as 894 A.D., Alfred the Great, after one of his scraps with the Danes, said:

> "There is no advantage in living on an island unless your Navy rides in undisputed sway over the waters that surround it."

Last year we were warned that arrears of cruiser construction would be made good as soon as possible. The failure to build new ships has forced the Admiralty to retain vessels which otherwise would have been scrapped, with the result that the repair bill is mounting up and will continue to do so. Delay in shipbuilding only adds to the number of the unemployed, and all the costly equipment of our dockyards is lying idle. The general public has an entirely erroneous idea that the laying down of a battleship only applies to and involves armaments. When a battleship is laid down, orders are given to over 150 firms scattered throughout the country. It gives employment to the mines, to transport, to trades, to manufactures, and to every other kind of industry. Our ships are not luxuries; they are absolute necessities.

The cutting down of the Navy, in my humble judgment, is the worst form of false economy possible. At Chatham there is a very acute shortage of men, particularly in the seamen branch. There is a strong feeling in favour of keeping the men as far as possible in the same ship for a full commission. The reason, of course, is obvious. It is not in the interests of the ship or of the Service to make any change in a ship's company after it has been commissioned, just when a ship's company is getting to know their ship and their officers, and making their ship efficient, clean and happy. At present in the Chatham division there are two cruisers recommissioned for service abroad, the "Cumberland" for China, and the "Dispatch" for the Mediterranean, and in addition there are the annual routine reliefs for gunboats and sloops for China. The shortage of men there is so great that, unless men who have just returned from foreign service are again to be sent abroad, the only alternative is to pick them out of recommissioned ships in the Home Fleet, whereas in normal times the men required were recommissioned from the Royal Naval barracks. The shortage

[Sir Park Goff.]

is insufficient to meet the requirements at sea, so the Home Fleet becomes a sort of extra depot for emergencies. The only alternative appears to be less ships maintained abroad, one or more ships put into reserve and the crews sent to barracks, or the Navy personnel increased, and, as everyone knows, the present number is absolutely inadequate.

About four years ago when the Committee made their report upon the reduction of personnel they did not take into account, when recommending the bare minimum, the number of man days lost to the Service when men were on passage to and from foreign stations, particularly China, and also the time men were granted for foreign service leave, both before and after their foreign service. Everyone wants to avoid any feeling of insecurity or any lack of confidence in any way, but any attempt to run the Navy on a card index line must fail. The Admiralty is of necessity an impersonal body, but it is essentially a personal matter that the more freedom, power and authority which can be given to officers of the Fleet afloat the better it will be for the men themselves, for the Fleet and the Service at large.

The Admiralty have now a great opportunity to keep their hold on the Fleet by a bold pronouncement of policy which they are prepared to carry out quite regardless of any criticism or of any obstruction whatever. Personally, I should like to see a training ship for boys as well as the "Frobisher" for cadets. I believe that training in sailing ships gives a far more thorough knowledge of seamanship than years of steam. I do not mean sail training *qua* sail training, so much as to learn seamanship in sailing ships. I have known it to be very successful in other navies. Boys from 16½ years of age to 18 after a few months at a shore training establishment are sent straight to a ship and to the fleet. A cruise for six months, or perhaps less, in a properly constituted training squadron would be much more valuable and beneficial in my judgment than two years in a fleet battleship. They will come to their ship thoroughly prepared and thoroughly grounded in their job.

I believe that all our problems and all our difficulties to-day date back to Washington, which in my humble judgment, and speaking for myself, was a most colossal mistake. I also deeply deplore and regret, rightly or wrongly, the abandonment of the Anglo-Japanese alliance. That has probably considerably changed the whole world outlook. It has caused Singapore, at any rate, to loom very much larger on the horizon. Those who have been round the world realise and appreciate now more than ever the importance of the Singapore base, and yet when we come back to our island home how many know and appreciate that Singapore is an island? I may be singular, but I have kept my eye, as far as the senior Service is concerned, directed for some years towards the East. Even since I have been in political life I have been an advocate of the Singapore base. I have realised on many occasions its importance. I do not believe in anyone talking about places or countries unless they have been there and seen them for themselves, not only on one occasion but on many occasions, and stayed there. There are some people who go to countries, to distant lands, and smell them for about five minutes and then come back here and tell us all about them with the wisdom of Solomon, the authority of a dictator, and the invulnerability of Achilles. The chief and greatest characteristic of British sea power is that it is never domineering and never selfish. Lloyds is the main mercantile insurance for the world, the Baltic is the chartering market of the world, and the Court of Admiralty is where the foreigner comes to get justice and redress. If German is the language of science and French is the language of diplomacy, then English is the language of the sea. We came by the sea, we live by the sea, and our whole future is on the sea.

7.51 p.m.

Mr. VYVYAN ADAMS: I have listened with keen attention to the speech of the hon. and learned Member for Chatham (Sir P. Goff), and I am sure that his constituents will read it with pride and interest to-morrow. I hope that he does not wish us to infer that the non-building of ships is going to have any serious effect upon the employment problem, because is it not true that these ships have to be defrayed out of revenue which comes from taxes, and the higher the taxation the more is the spending power of the individual limited. I should like, if my right hon. Friend the First Lord of the Admiralty will not take it amiss, to add my sincere congratulations for the manner in which he presented the Navy Estimates to-day. It is indeed a delight to hear the details of a Service expounded by one who is almost entirely its embodiment. There is a story told about a Scottish minister who in the course of his extemporary prayers became so familiar with his Creator that he ended one of his more intimate periods with the phrase "Paradoxical as it may seem, O Lord." I have to submit to the First Lord of the Admiralty a paradox and the relationship of the right hon. Gentleman to myself is very similar to that of the Creator to the Scottish minister. The paradox I have to submit to my right hon. Friend is that the more Great Britain disarms the more secure does she become.

Sir JOSEPH NALL: Rubbish.

Mr. ADAMS: This is not an opinion confined to myself, in spite of the interjection of "Rubbish" on my left flank because the hon. Member will find that "Scrutator" in the "Sunday Times" pointed in the same direction last Sunday, and, if hon. Members will reflect for a moment, they will see that, in spite of the unilateral disarmament which Great Britain has carried out since the Armistice, there is no country in Europe, with the possible exception of Switzerland, that is more secure than ourselves. It is true that Great Britain may still irritate the foreigner, but we seem to succeed to-day in no longer antagonising him. In these circumstances, we are again "The envy of less happier lands." Is it not true that we cannot with that inevitable and decisive forefinger say, as we could 20 years ago, there, or there or anywhere on the Continent of Europe is a potential enemy. Let us consider and compare that with the situation of our immediate neighbours, France and Germany, whose opinions on armaments are quite different from our own. Each of them is neurotically watching the other for the merest simulacrum and scintilla of an insult. That is an entirely different situation from ours. They are admittedly the most insecure nations on the Continent of Europe. One of them is, in the words of the right hon. Member for Epping (Mr. Churchill), "armed to the teeth," though he also suggested that she is "pacifist to the core." The other is apparently, for reasons which are neither clear nor compelling but entirely sentimental, passionately desirous to rearm.

If I may continue my humble relationship with the First Lord I should like to approach him with a little prayer and a little entreaty. In the January issue of a remarkable production called "Home and Empire," superscribed with the Union Jack, I read :

> "The allegation too often heard from Socialists that this country is standing in the way of general disarmament has been described by the First Lord as 'not only stupid but unchristian'; and when it is remembered how this country has reduced its armed forces in spite of increasing armaments elsewhere the words cannot be regarded as being a whit too strong."

I want to make one comment on that statement, though I doubt very much whether the First Lord of the Admiralty ever uttered it, because his wisdom is celebrated. It would be difficult to reconcile the Sermon on the Mount with a 16-inch gun. But I suppose that my right hon. Friend the First Lord can be trusted not to repeat a statement of that sort if he ever, in fact, did say it. The Navy is not in any sense sacrosanct. After all, we not only represent the taxpayers in this House, but we are taxpayers ourselves, and when one considers that a sum of £53,000,000 has to be defrayed by the taxpayers it is a sum which cannot be sneezed at. Out of every sovereign a taxpayer pays in Income Tax, over 1s. goes in the form of ship money. And £10,000,000 nearly in spent annually in keeping our 15 capital ships in commission.

I wish to revert to something which I have mentioned at greater length before in this honourable House, that in my view the battleship is to-day, as it has always been, the key to disarmament, at all events to naval disarmament. It is a notorious fact that she is the mother of that odious and loathsome craft the submarine. We have tried before, and we have found that it is absurd to try to outbuild our naval rivals. I would like the First Lord in his reply to explain why it is that the Government have not more consistently pressed for a limitation of the maximum size of battleships to a size between 10,000 and 6,000 tons displace-

[Mr. Adams.]

ment. The hon. and learned Gentleman who has just spoken suggested that the Washington Conference was a calamitous occurrence. I suggest that that is really not in accordance with the facts, when one considers the burden on the taxpayer. Thousands of tons of shipping was scrapped on that occasion by ourselves, and the building of thousands of tons was deferred by the London Naval Treaty of 1929. As I have said, the money has to came from the taxpayer's pocket, and it means a tremendous drag upon industry. There are strong reasons in the minds of some naval experts why the super-battleship in excess of 10,000 tons should be unilaterally scrapped. To my mind those reasons are conclusive.

But I have raised this point before in the House, and I do not want to expatiate at any length on it. I will, for the purposes of argument, take the orthodox view that these battleships can only be scrapped by general agreement. But I would like to know from the First Lord how it is that the figure of 22,000 tons, which is proposed to be the new limit for the super-battleship, has been arrived at. Indeed I cannot see any reason—I have examined this matter at some length, as far as a layman can—why 22,000 tons has been fixed and not 100,000 or 10,000; I have always been informed that the defensive purpose of the capital ship is to arrest any merchantman, the largest possible merchantman or liner carrying contraband or munitions or troops from one point to another, and if you get universal agreement to limit the tonnage of these ships to 6,000 or 10,000 tons I believe it is conceded by naval experts that that maximum would be adequate. It is obvious that in the case of the liner, however large, her decks and her structure cannot carry more than a gun of a certain calibre, six inches or 7.5 inches. I am informed by naval experts that a cruiser, or capital ship as it would be in the new dispensation, of 6,000 or 10,000 tons, would be quite adequate to deal with a liner so equipped.

Yet we go on gambling with the super-battleship idea, toying with the possibility of constructing in 1936 a whole new series of these vast and vulnerable vessels. When I use the word "vulnerable" I am immediately reminded of the air, and I cannot forget that a battleship displacing, say, 30,000 tons, extends on the face of the ocean to the vertical attack of a bomber a target covering several acres. I am in great difficulty over this because I must remember that the occasion to-night is not the Air nor the Army Estimates. But if I may I would say in parenthesis that I think the whole basis on which we deal with the defensive Services is entirely faulty, because one can no longer treat the three Services with the detachment that was possible in former days. The more complicated, the more intricate and the more expensive the problem of defence becomes, the more obvious becomes the need of some Ministry of Defence. If I mention battleships I cannot escape reflecting about the bombing aeroplane, and when I consider the military value, the defensive value, of territorial infantry, I immediately have to consider the menace from the air. If the Territorial Army were equipped with wings there might be some justification for applauding an increase in expenditure or restoring expenditure upon the Territorial arm.

This necessity for a real examination into the problem of a Ministry of Defence was definitely indicated in the report of a Sub-Committee of private Members on which I served last summer. I think I can say without arrogance that that sub-committee was a strong one. It consisted partly of experts, and partly of Members entitled and able to take a fairly impartial view. Those hon. Members who regularly attended it, consisted of two General Officers, an Admiral, a Lieut.-Commander and two members of the Bar who might be considered able to sift evidence and estimate values. We were eloquently presided over in the tropical heat of last September by the hon. and gallant Member for Harrow (Sir I. Salmon), and, as he said at the time, we were giving the Government something for nothing. But the net result of our endeavours is that our suggestions have been substantially ignored.

I say on quite general grounds that I cannot help feeling, with some hon. Members who have spoken earlier in the Debate to-day, that this increase in naval expenditure is to be deplored. For one thing the National Government came into power with no specific pledge at all, but with one very positive implied pledge, the pledge of economy. That, of course, is to some degree vitiated by this increase in expenditure. Furthermore, the Disarmament Conference at this moment is in a most critical condition, likely to be thrust over the precipice by any sudden shock from outside—any sudden or slight shock. And in consideration of that I do wish it had been possible to withhold this new expenditure for at least another year. Could we not, if these replacements were absolutely necessary, have found some means of suspending some of the expenses which normally would be incurred from year to year—at all events make it apparent that we were not increasing the Estimates by £3,000,000?

It is often said about the British Navy that it has been unilaterally disarmed, but I would say, if hon. Members will come with me into the sphere of the highest values, that if unilateral disarmament is to be carried out at all I shall be very proud to see my own country do it first. After all, the Government just over a fortnight ago, on 27th February, did something unilaterally in the international sphere. They put an embargo on the export of arms and munitions—an embargo which was removed with an absolutely incomprehensible suddenness. If it was right to impose an embargo on 27th February it was right to maintain it on 13th March. But be that as it may, the decision was taken, and if hon. Members consider for one moment, upon the general question of armaments and arms and the embargo on arms, they will find themselves confronted with a quite simple issue of right and wrong, and if the folly of armaments is some day to be stopped, not perhaps by absolutely general agreement but by multilateral or unilateral action, I am patriot enough to want my country to lead in that direction.

8.12 p.m.

Dr. O'DONOVAN: If there is one place in London that is the showplace of the British Navy for those Londoners who cannot afford or have not the desire to go to the southern coast, it is the Royal Naval Hospital at Greenwich. It is a most beautiful building, perhaps the most beautiful in England. It is to-day easily accessible by motor boat from Charing Cross and by many other means of transport. If it is the showplace of the British Navy to Londoners I beg the First Lord to give a little of his attention to the way in which the public can get into it and the way in which they are received when they get there. When I was a boy in London, in the intervals of medical studies I wasted much time in the painted hall and got a great love for the British Navy. But recently, when taking my own children there, first of all I was startled by the demand of a charge for admission, which I think cannot result in the obtaining of a sum of money proportionate to the irritation it gives, and, secondly, I was astounded by the dull and dingy nature of the painted hall and the incompleteness of the museum. The painted hall is dull, the great pictures are difficult to see, and the faces are not well recorded.

The museum is a wonderful museum of shipbuilding, of the history of North Pole exploration and of Nelson's career. The articles on view are labelled in a way that was satisfactory in the days of Queen Victoria but has not kept pace with modern standards of museum equipment. The painted hall and the museum are practically all that the Londoner can see. Should he attempt to go to Admiralty House he will find, as I found, a notice in the hall "If you see a stranger hold him fast." Therefore the one building to which the Londoner might have free access, is worthy of a little personal attention from the First Lord.

8.15 p.m.

The CIVIL LORD of the ADMIRALTY (Captain Euan Wallace): I think the opening sentences in which my hon. Friend the Member for Aberdare (Mr. G. Hall) representing the Opposition, began his speech this afternoon, indicated the tone of this Debate for he began by saying that he had very little fault to find with the Navy Estimates of this year. I therefore find myself in the enviable position of rising rather with the object of giving information than of answering hostile criticism. I should like to say at once that certain matters which have been referred to this afternoon and notably some part of the speech of the hon. Gentleman who spoke from the Front Bench opposite, and practically the whole of the speech of the hon. Member for Broxtowe (Mr. Cocks) relate to training and personnel and, therefore, fall within the ambit of the specific Amendment which is to be moved later. I hope the hon. Member for Broxtowe will not think me dis-

[Captain Wallace.]
courteous if I leave the reply to the interesting questions raised in his speech to my Noble Friend the Parliamentary Secretary to the Admiralty.

So many extremely interesting speeches have been made and so many interesting questions have been asked that it would be impossible for any representative of the Admiralty, fortified as he is bound to be with all the knowledge to be obtained from such a very great Department, to answer all those questions in the space of time for which the House of Commons would tolerate a speech from this Box. I would therefore say to hon. Members on all sides that any points in their speeches which are not specifically replied to must not be regarded as having been ignored or rejected. I am certain that my right hon. Friend the First Lord and indeed the whole Board of Admiralty will do everything they can to gather wisdom from this important Debate.

Two of the principal subjects dealt with and the two which formed the burden of most of the speeches were, first, the subject of Disarmament and, second, the question of the utilisation of coal for fuel, with what may be regarded as the allied question of the use of Diesel engines. As far as disarmament is concerned, I think the House will recognise that it would be a singularly ill-timed occasion for a junior representative of the Admiralty in this House to make any general pronouncement when at this very moment our Prime Minister and our Foreign Secretary are at work in Geneva. I should like, straight away, to reassure the right hon. Gentleman the Member for Darwen (Sir H. Samuel) and to tell him that the Estimates which we are presenting, not only as regards new construction but as regards everything in them, represent no departure whatever from our established Programme. We are not speeding up, we are not going outside our strict rights, if I may call them rights, under the Treaty of Washington and the London Naval Treaty. I may, on this point, venture to remind him and also my predecessor in office, that one of the reasons for the increased expenditure to which they drew unfavourable attention is that this year we are engaged in financing a Programme which they themselves were responsible for laying down.

I was asked by my hon. Friend opposite whether it was necessary to include four cruisers in this year's programme. I say unhesitatingly, Yes. It is only by including in this year's programme the four cruisers which remain to us under the proposals of the treaties that we can hope to have them completed by the end of December, 1936, and I do not believe that either the hon. Gentleman opposite or his right hon. Friend who is no longer in this House—Mr. Alexander—if they were at the Admiralty to-day, in view of what both have said on public platforms, would be willing to risk another unilateral gesture of this kind. My hon. Friend also asked me whether we still want capital ships and whether we still require 50 cruisers. The whole question of capital ships and cruisers has also been dealt with by my hon. Friend the Member for West Leeds (Mr. V. Adams). It is a very big subject, but I shall try to answer both hon. Members in the fewest possible words which will suffice. We do want capital ships because we believe that the abolition of the capital ship would make the cruiser the capital ship of the future—the biggest unit—and we believe the result, so far from leading to economy, would be to involve us in considerably increased expense. We do say, however, that we could do with a capital ship of much diminished displacement. My hon. Friend the Member for West Leeds asked why we had selected the figure of 22,000 tons. I think it fair to say quite briefly that 22,000 tons, in the view of the Board of Admiralty, represents the minimum figure which will give adequate protection, suitable endurance and tolerably decent living conditions for the people who have to pass their lives in the ship.

As regards the proposals made by President Hoover, I was asked why we did not support them. The short answer is that we preferred our proposals which, though they were not made exactly the day after the other proposals, had actually been in the Admiralty some time before they were published. We preferred them because we believed they were simpler and cheaper and would, in the long run, effect more real disarmament. I cannot resist saying that it seems a little odd that there are numbers of people in this House who, when any proposals for disarmament are put forward, seem to have a devastating affection for anything proposed by a foreigner as against anything proposed by us. We have to realise that in regard to disarmament there are two factors to be taken into consideration. There is, first, the factor of relative limitation. If the Navy is to perform its function of keeping the trade routes of the world open for the British Mercantile Marine, engaged in its peaceful avocations, it makes all the difference what ships you are unfortunately obliged to regard as potential enemies. There is besides that relative limitation, the absolute limitation imposed upon us by the number of sea miles that we have to protect, and the House of Commons and the country would be deluding themselves if they believed that, because everybody else in the world was willing to do away with naval forces down to what may be termed zero, this country would be wise to do the same or, indeed, would be able to do so.

I turn to an entirely different subject which was dealt with in the principal speech from the Opposition and was also touched upon in a very thoughtful and obviously well-considered speech from the hon. Member for Pontypridd (Mr. D. Davies). The question of the "back-to-coal" movement is of such public importance to-day as to demand, even at the risk of boring those who are familiar with the subject, a reiteration of certain basic principles. First of all, we ought to be quite clear as to the size of the problem and the possible good effect upon the coal industry if we were able to solve it in the way which hon. Members opposite, and indeed in all quarters of the House, desire. If it were possible for the Royal Navy to return entirely to the use of coal for fuel, it is estimated that we should, in peace time, use approximately 800,000 tons a year. That figure represents less than one-third of 1 per cent. of the total output of the British coalmines. Therefore it would be a great mistake for anybody in the country to delude themselves into thinking that the prosperity of that great basic industry, the coal trade of this country, could be restored by the efforts of the Royal Navy alone.

Apart from that, everybody who has studied the question knows very well indeed that the case against burning coal in its raw state under the boilers of His Majesty's ships is absolutely unanswerable, and nobody has put that case more clearly or more forcibly than my hon. Friend opposite when he was Civil Lord of the Admiralty. I do not think it is any exaggeration to say that, taking it all round, the endurance of an oil-fired ship is approximately double that of a coal-fired ship of the same dimensions, and hon. Members will see that, at a time when the amount of tonnage which we are allowed to construct is very strictly limited by Naval Treaties, that factor is even more important than it used to be before the War, when any nation constructed exactly what it liked. Therefore, for all practical purposes, I think we are bound to rule out the idea of burning coal in its raw state.

There remains the possibility of extracting from the coal of this country liquid fuel which will have the characteristics and advantages of oil, and there are, as hon. Members know, to-day two processes by which this can be done. There is, first of all, the low-temperature carbonisation process, to which my right hon. Friend has already referred and expressed his satisfaction that, through the enterprise of one British firm, we have been able to secure a quantity of this home-produced oil, and to burn it by itself—it has not required any mixing—in the boilers of His Majesty's Ship "Westminster." Because, however, we have been able to get a certain quantity of oil fuel of a very high quality from British coal, we must not imagine that the millennium is necessarily within reach. The main product from the low-temperature carbonisation process is not the fuel oil which we require, as hon. Members opposite know. The main product of that process is a semi-coke, which is sold at 59s. a ton, and is a most excellent fuel. We use it at the Admiralty to warm the members of the Board, and I believe it is used in other Government Departments.

But while one ton of coal produces 14 cwts. of semi-coke, it only produces 16 gallons of tar, which in turn produces anything between five and eight gallons of fuel oil. Therefore, the essential thing about this process before it can find any fuel for the Navy is that a market should be found for this solid product. If it were possible for the whole of the 40,000,000 tons of coal used for domestic purposes in this country to be treated in this way, that is, if some Govern-

[Captain Wallace.]

ment of the future forbade the burning of bituminous coal in open grates, we should then get anything between 800,000 and 1,200,000 tons of oil fuel. I think most hon. Members will agree with me that the time when we can, by legislation or otherwise, compel the consumer to pay 59s. a ton for his fuel, however excellent it may be, is still some way distant.

The other process, hydrogenation, offers the possibility of getting the maximum amount of oil or petrol from coal, and the amount of oil or petrol obtained simply varies according to how far you carry the process, and you are not bothered with having to dispose of another product. The cost of this process is, however, so high that it would only be a commercial proposition to produce petrol of a high grade by this process, and not fuel oil, since the difference in the volume obtained is comparatively negligible, and the difference in price is very considerable. Therefore, I think the House will agree that we have still got some considerable way to go in that direction. I should, however, like to add—and the same thing applies to the pulverised fuel and the colloidal mixtures to which the hon. Member for Pontypridd referred—that the Admiralty are fully alive to the strategical disadvantages of our dependence upon a foreign fuel supply. We are also fully alive to the economic benefits which would accrue to this country if it were possible to get our supplies from home, and I can assure the whole House that our researches into this question in every single one of its aspects are persistent and unremitting and that they will continue.

The other question, somewhat allied to this, which was raised by the hon. Member for Aberdare and also the hon. Member for Pontypridd is that of the Diesel engine. I was asked last year in this Debate, and we were asked to-day, why we did not use Diesel engines in the Navy, because they have them in the German "Deutschland." The short answer is that we do not use them because they are not so good. There are at the moment three kinds of Diesel engine. There is the large slow-speed engine now used in merchant vessels of some kinds. That is much too heavy for the Navy, and for another thing the engine stands too high. Then there is the medium-speed engine, which we do use in submarines. We have some very good ones in the new "River" class of submarines. We use them in submarines, not because they are more efficient than steam plant of the same power, but because you cannot use steam plant in submarines; and it is equally a fact that these medium-speed Diesel engines are not as efficient in that they are considerably heavier per effective horse-power produced.

There are, thirdly, the high-speed Diesel engines, to which the hon. Gentleman has referred, and which are used in this German battleship. The difficulty with them is that you cannot get a power unit more than about 7,000 horse-power. Therefore, to be of any use as the propelling machinery for naval craft, you have to couple a lot of these engines up, and that involves the use of clutches and gearing, with the net result that here again your weight of plant per effective horse-power produced is considerably more than in steam plant of the same capacity, and it has the additional disadvantage of being more bulky. At the same time, we have a high-speed Diesel engine in the Admiralty laboratory, which I think I may say is in a fairly advanced stage. We intend to push on with our experiments, and I hope that before next year's Estimates come round it will be possible to produce something which we shall be able to put into a ship.

There is another question which the hon. Gentleman the Member for Aberdare asked to which I think I ought to reply. He referred to the experiments which we made in building destroyers in dockyards and asked what were the comparative costs. They turned out to be more expensive to build in dockyards than by private contract. I have not the precise figure with me, but I think it was in the neighbourhood of £10,000. That does not mean that we have abandoned the idea of building any more destroyers in dockyards, because any establishment, be it a Government dockyard or a private firm, which builds a destroyer for the first time, obviously does not do it in the most economical way; and the Board of Admiralty have not the least doubt that if and when it may be necessary or possible to give further orders to the Royal

Dockyards for destroyers they can be built at practically competitive prices.

The hon. Member for Central Portsmouth (Mr. R. Beaumont) referred to the wastage in dockyard employés. We have felt bound to pursue this policy for some years for the simple reason that our Building Programme has been diminishing. The future is uncertain, and there are many Members who hope that it will diminish still further, and we should have failed to discharge our responsibility to the taxpayer had we engaged on a Government job a large number of people whom we might subsequently have to discharge. I go further and I say that we may congratulate successive Boards of Admiralty and Civil Lords on the fact that we have been able to spread out new construction and repair work not only among the Government yards, but among private contractors, in order to prevent as far as possible dislocation and discharges on what I may call a falling market. So far as the discharge of the electrical fitters is concerned, I am afraid that it is inevitable that every dockyard from time to time should have to discharge men in one trade and take on another. It depends on the stage of construction of the ship and the kind of work that is being done. I hope that it may be possible for the electrical fitters to get back in time, and we may derive a little satisfaction from the thought that an electrical fitter after he is discharged from a dockyard is better able to get a job than most men in other trades.

Let me turn to the speech of my hon. Friend the Member for Dunfermline (Mr. J. Wallace). I must tell him, as I had to tell him last year, very sadly but as sympathetically as I was able, that it is not possible for anybody representing the Board of Admiralty to hold out any hope of such a radical change in policy as would alter Rosyth from a care and maintenance basis to the status of a fully working dockyard. The hon. Member accused the Board of taking rather a narrow view. I assure him as a fellow Scotsman that if I took a narrow as opposed to a national view, I would much sooner see some work going to Rosyth, but I am satisfied, as my predecessors were and as the First Lord is, that under present conditions it is not possible to increase work there. The specific question which he asked me with regard to repairs to oilers happens to be one which was discussed this morning at the Admiralty Industrial Council. I am in a position to be able to tell him that the answer is that there are only 23 men in the Constructive Department at Rosyth, that they are fully occupied without repairing oilers, and that if we had to repair them it would mean bringing in extra staff. The hon. Member, therefore, must take comfort from the thought that what employment is lost in Dunfermline is gained by our mutual friend the Minister of Mines at Leith.

Mr. J. WALLACE: It is no consolation to me to know that fewer people will be employed in Rosyth repairing oilers. My point is that by taking on more men it is not necessary to increase the supervisory staff, which was before the excuse for not doing work at Rosyth. Its claims from that point of view ought to be considered.

Captain WALLACE: The claims were considered last year and have been reconsidered, and I cannot do more than look into them again, but I fear that no new facts are likely to come out of it. I hoped that my right hon. Friend the Member for South Molton (Mr. Lambert) would have found it possible to come back by now, for I have been saving his interesting speech as long as I could. He asked a pertinent question as to whether we were getting our money's worth for our expenditure, which I am glad to see he recognises as being most important. He has made with his usual clarity what I may call the stock case against the Admiralty Office. I do not propose to take up the time of the House by giving him the stock answer because there is in existence an excellent memorandum by the Secretary of the Admiralty which demonstrates beyond the possibility of a peradventure that the decrease in the numbers of the Navy since 1914 is no proper criterion of the decrease which is supposed should have taken place at headquarters. All kinds of other factors have to be considered and I should enjoy giving them to the House but I resist the temptation.

The second question which my right hon. Friend asked was in regard to our co-operation with the Royal Air Force. I can assure him that we co-operate with them very closely. We have had for

[Captain Wallace.]

some time at the Admiralty a special department under the Director of the Naval Air Division. We have in more recent times appointed a Rear-Admiral in charge of the aircraft carriers, with the most beneficial effects from every point of view. I was fortunate enough the other day when I was in Malta to attend a conference on the results of some exercises which had taken place during the winter cruise and among many things which impressed me, nothing impressed me more than the very close co-operation which was maintained between the Navy and the air arm throughout two very long and rather difficult exercises. My right hon. Friend seemed rather to resent the idea that our aeroplanes were designed by the Air Ministry, but the First Lord and, I think, the rest of us, are willing to believe that the Air Ministry can design aeroplanes better than the Admiralty, and we are very glad to leave the technical side of the Fleet air arm in their hands.

Finally, the right hon. Member for South Molton asked me about Singapore. I am only going to say this. Of course the Board of Admiralty does envisage eventually having a properly equipped and defended naval base at Singapore. Everybody who has studied the problem, indeed, anybody who has ever bothered to look at a map of the world, or one of those round globes which are seen in nurseries, must realise that such a base is necessary in order that our Fleet may have complete mobility in all parts of the world. Not only is this view held at the Board of Admiralty, but it is also held by other members of the British Commonwealth, who have signified their acceptance of that view by substantial contributions to the cost of the base. I think that may be taken as an indication of our eventual intentions. For the moment, the work is progressing satisfactorily, and there is every reason to believe that Sir John Jackson will complete his contract in time. For the moment we only contemplate the completion of those heavy engineering works which are now in progress and which form the backbone of the scheme.

Just one word in reply to my hon. Friend the Member for Mile End (Dr. O'Donovan). I am sure that he will be very glad to know that as the result of a generous benefaction the Royal Hospital School is moving from the congested area of Greenwich to a new home in the country. We hope to get that move carried out at the beginning of next term. It is then proposed to hand over the buildings which have been occupied by the Royal Hospital School at Greenwich to a board of trustees under the Office of Works, and there to create a suitable, and I hope impressive, Naval museum. Those relics which exist, as my hon. Friend said, in large numbers, and in very inadequate accommodation in the Painted Hall and other places, will then be displayed under better conditions.

Curiously enough, no one has drawn attention in this Debate to the value of the trade which the Navy, to my mind, exists to protect. I think it is perhaps worth while to point out that last year the declared value of our imports and our exports was £1,119,000,000, and that the estimates for the naval defence of that vast trade represent less than 5 per cent. of its value. Only four months ago the First Lord himself reminded the House that every day there comes into our ports 110,000 tons of merchandise and 50,000 tons of foodstuffs. It is quite true that the conquest of the air has already compelled us to envisage the naval defence of our 80,000 miles of trade routes from a new angle, and may require us to make further modifications. The Royal Air Force can co-operate with, and can in some cases supplement, but in my view it can never supplant the Navy in this vital rôle of commerce protection, and it is, in the words of the preamble to the old Naval Discipline Act, 1866:

> "the Navy whereon, under the providence of God, the wealth, safety and strength of the Kingdom chiefly depend."

PERSONNEL.

8.50 p.m.

Captain PETER MACDONALD: I beg to move, to leave out from the word "That" to the end of the Question, and to add instead thereof the words:

> "in the opinion of this House, it is essential that special attention should be paid to the provision of ample qualified personnel, both on the active and reserve lists of the Royal Navy, with an adequate margin for drafting and training, and to the maintenance of the high standard of training necessary to meet the increasingly responsible duties caused by modern naval developments."

In moving this Amendment I do not intend to dwell at any great length upon general considerations. The necessity for this country to maintain an adequate and efficient Navy has not only been dealt with in this Debate but has been maintained by men of practical intelligence for many centuries past. However much we may deplore it, the fact remains that whatever negotiations have taken place with the nations of the world since the War have not encouraged us to place any reliance in, or to leave our people dependent upon, such security as may be attained by international agreement. So long as this country remains dependent not only for its prosperity but for its very existence upon its trade routes, so long is it absolutely essential that we should maintain an adequate force to protect us from such weapons as may be employed against our trade routes by our potential enemies. I know there are people in this House who take the view that the developments of aviation since the War should cause us to take an entirely different view of the methods to be employed for the defence of this Realm and the Empire. Whatever may be said for the co-ordination of the Navy and the Air Force I still maintain that the main work of protecting the trade routes must rest upon the Navy. Aircraft, both military and civil, can be countered by anti-aircraft guns and by other aircraft, and if aircraft are to operate over our trade routes it is absolutely essential that they should have bases from which to operate. These bases can only be provided by ships, and ships of His Majesty's Navy. Ultimately, therefore, whatever may be said for co-ordination between the two Services, the main duty of defending the trade routes must remain with His Majesty's Navy. Furthermore, as aviation develops, and aircraft operate further and further from their home bases on land, it becomes more necessary that the trade routes of the country must be forced further and further afield from the normal trade routes, which will entail not fewer ships but more and bigger ships for their protection.

The case for a strong and efficient Navy being made out, what are the Lords of the Admiralty doing to maintain that strength and efficiency? I note in the Estimates that provision is being made for new construction. Whatever criticism may be offered in opposition to this expenditure, and there has been considerable criticism, I maintain that in view of the delayed Programmes for construction in the last few years the increase of £3,000,000 in the present Estimates for this purpose is a very small one. In addition, there is the further consideration that this new construction is giving employment to thousands of men who otherwise would be unemployed. It is estimated that 80 per cent. of the cost of a ship is for labour, and that 80 per cent., and perhaps more, is being paid or will be paid in wages to men who otherwise would have no means of livelihood for some time to come.

Arguing from that basis alone, the laying down of these new hulls is justified. I know that there are people whom the First Lord described as "bloody-minded pacifists"—I think he called them, or "blood-thirsty pacifists"—who mainmain that this is a wrong method of spending money on employing labour, but it may be far better to build battleships and have bread than to preach pacifism and starve. That is a view which I am quite sure is taken by many men in our private shipbuilding yards and dockyards. While I welcome the fact that the Estimates provide for an increase in materials and ships, I deplore that corresponding provision is not made for the personnel. I deplore the fact that the personnel has been reduced by an additional 1,100 officers and men this year. That is a very dangerous tendency. When you consider that the personnel has been decreased by 13,000 in the last five years, it makes us wonder if the Lords of the Admiralty are placing far too much reliance upon the mechanics of the Navy and are not sufficiently considering the old argument that it is the men who man the ships and that it is a question of the man behind the gun.

The London Naval Treaty places no restriction upon personnel. It is interesting to notice what other great Powers have done and how they have taken advantage of that fact. In 1914 the United States had 67,258 officers and men, and in 1932 they had 107,000 officers and men, an increase of 40,000. Japan in 1914 had 50,645 officers and men, and in 1932 89,000, or an increase of 39,000. Italy in 1914 had 40,023 officers and men, and in 1932 53,000, or an increase of 13,000.

[Captain Macdonald.]

Great Britain in 1914 had 146,047 officers and men, and in 1932 91,410, a decrease of 54,637. The United States from 1914 to 1932 increased their personnel by 59 per cent.; Japan in the same period increased her personnel by 75 per cent., and Italy by 32 per cent. Great Britain decreased her personnel by no less than 37 per cent., until to-day she is on the same basis as Japan, whereas according to the London Naval Treaty the Japanese Navy should have been at a ratio of three to five compared with ours. In view of those figures, I am inclined to ask whether the Lords of the Admiralty are sufficiently considering the necessity of maintaining a personnel, as well as ships and guns, to man the Navy in the future.

I come to the question of training. I am very pleased to learn from the Memorandum accompaning the Estimates that provision is being made for the training of the active personnel. I was pleased to hear from the First Lord that greater attention is to be given to the individual responsibility of young officers and petty officers in the Service. On the whole, that seems quite satisfactory. It is regrettable to hear that the Admiralty have had to cut down on the question of sea-training. I know that there are many arguments, in these times of economy, for cutting down expenditure, but I ask if it is wise to cut down so severely in sea-training. The questions of fuel and of the wear and tear of guns and machinery are strong arguments, but nevertheless I have always been of the impression that an essential part of the training of a sailor and of a seaman was in seamanship and navigation. Unless officers and men are to be given a chance of sea-training, I cannot see how they can be prepared to meet an emergency when it arises. I share the regret of the First Lord that sail-training is not looked upon with favour by the Lords of the Admiralty. That is very unfortunate. It is, to my mind, a very economical form of training, because no fuel is required and no machinery is likely to be in any way damaged. You have the opportunity of sending cadets to sea for long periods to get the experience of seamanship and navigation which every sailor should have.

I remember on returning from a cruise, a couple of years ago, being on the bridge one day with the captain of the ship when he said: "Will you look through that glass? You will see a very fine sight, one which you will never see again." I said "What is that?" He replied, "It is one of the last of the windjammers." I looked through the glass and I did see a very beautiful sight. Against the sky-line, in full sail, was a four-masted, full-rigged ship. I knew that everybody on board would be anxious to see it on a pleasure cruise, so I asked the captain if he could change his course and go up nearer. He did, and everybody on board—there were about 2,000 people—rushed to photograph the ship. There is no one who does not treasure that photograph to-day, because there is no sight more pleasing to the eye than a ship in full sail. That ship was the "Bremen," and we were informed that it was a training ship for German cadets. When it drew up nearer, we were told that they had been practically six months at sea, and that they were 14 days out from Amsterdam. Surely that is the kind of training that is needed. Training ships could be obtained from the mercantile marine. Lying on our mud banks are many ships suitable for the training of cadets and officers. Why should they not be commissioned and sent to sea? I regret very much that the Lords of the Admiralty have turned down the, to me, very welcome suggestion of the First Lord as to the adoption of sail-training for naval cadets. It makes me feel that the Lords of the Admiralty to-day have no romance in their souls; it has been driven out by steel and oil.

There is one other question with which I want to deal, and that is the question of the reserve. It occurs to me that surely, when the active personnel of a Service is being cut down, it becomes all the more necessary to concentrate on the reserves of that Service. One finds that, although the Army is provided this year with £900,000 for the training of Territorials, the Navy is provided with only £355,000 for the training of its reserve. I submit that that is too low a sum. I regret very much that there has been a decrease of £3,000 in Royal Naval Reserve expenditure, and I notice, from the Memorandum of the First Lord, that this is due to smaller requirements for the training of officers and the obligatory training of men. I should like an explanation as to why there is a smaller requirement for the training of officers at a time when the active personnel is being cut down. I should have thought that it would have been all the more imperative, in such circumstances, that greater reliance should be placed on the training of reserves. I think that this tendency is a very unfortunate and very dangerous one.

I also regret very much that the training periods both for the Royal Naval Reserve and for the Royal Naval Volunteer Reserve have been reduced this year. In the case of the Royal Naval Volunteer Reserve, the only provision made on this Vote is £63,000. Surely, that is a very modest sum, particularly as there are so many Royal Naval Volunteer Reserve officers and men to-day in the Mercantile Marine who are unemployed, and who would jump at the opportunity of putting in some time in training for His Majesty's Navy. I would ask the Financial Secretary if some consideration could not be given to the question of providing further training for the Royal Naval Volunteer Reserve, particularly at the present time, when there is so much unemployment in the Mercantile Marine.

I notice another list, headed "Officers on Retired and Emergency List," and for the training of that list the sum of £200 is provided. What is this list? It contains the names of about 150 officers. I wonder how many of these have had a single day's training since they left the Service? I notice that the name of the First Lord is on that list, and I think that, perhaps, he is the only officer who by virtue of his position has had any connection whatsoever with the Navy since he retired. He shares the honour of being on the list with a captain 77 years of age. I am wondering what kind of emergency would bring that veteran hurtling back to the Colours, and whether he would be allowed to bring his bath chair with him? Surely it is time that these lists were gone into further. If it is necessary to have an emergency list, there are 10,000 retired officers who could be drawn upon, instead of having a redundant list, such as this, of officers who in many cases are over 70.

We have heard a good deal to-day about the training of cadets. In that connection there has been a good deal of vacillation in the past. I think the first idea was that boys should be entered at a very early age, 13 or 14, that they should spend four or five years in the "Britannia," and should then be sent to sea. Subsequently, it was decided that they should spend two years at Osborne and two years at Dartmouth, with a year at sea. Since then the "Britannia" has been scrapped, Osborne has been scrapped, and all that remains of the old system of training is Dartmouth. One or two speakers, who have, perhaps, a greater knowledge of the Navy than anyone else in the House, and particularly my hon. and gallant Friend the Member for Burnley (Vice-Admiral Campbell), suggested that the percentage of selected candidates for Dartmouth is too small. In fact, my hon. and gallant Friend even went further and said that Dartmouth should be done away with altogether. I do not go that far; I think there is room for Dartmouth; but there is room also for cutting down in the cost of that institution. It cost about £50,000 this year over and above the fees paid by the parents of cadets. I think that that is rather a large sum, and could be cut down. I agree, however, that there is scope for a greater number of cadets for the Navy being chosen from public schools. I think, myself, that the age of 13 or 14 is too young for a boy to be expected to decide definitely what his future career is to be, whereas at the age of 17½ he has some idea of what his qualifications and his desires are, and has a far better chance, if he enters the Service at that age of making a success of his career than if he is pushed into it at 13 or 14, sometimes, perhaps, against his will, and expected to make a success of it.

I should like to ask whether the Navy is not to-day too much at the mercy of the technician? We seem to be pouring out money on technical improvements in the Navy. We are spending as much as £1,500,000 on a small ship, and as much as £1,000,000 on reconditioning an old ship nearly 20 years of age, but, nevertheless, we find that the cost of the active personnel and reserve is continually being cut down. I cannot help feeling that that policy is dangerous and unwise. I would like to know, as others have indicated to-day that they would like to know, whether the Admiralty is not a little too expensive. When we consider that the active personnel has dropped by 37 per cent. since 1914, while the civilian

[Captain Macdonald.]

personnel at the Admiralty has increased by 65 per cent., it makes us wonder how these people are employed. I know that the clerical work of the Admiralty has greatly increased since 1914, but it seems to me that that percentage is thoroughly out of proportion, and that the matter should be looked into. I see that, by certain changes which the First Lord enumerated to-day, a saving is to be made, but only a saving of £10,000. When one considers £10,000 in relation to £53,000,000, it is a very small amount indeed to save on that Department.

I think also there might be a great saving, both in money and in efficiency, if sailors were not retired at such an early age. Forty years of age, when they are at their prime and at the height of their efficiency, is far too early and is far too heavy an expense to be borne by the taxpayers, because that adds to the non-effective Vote, which has gone up from £8,000,000 two years ago to £9,000,000 this year, and it will be increasing each year. Surely a great deal could be saved by keeping men on after the age of 40. It would save not only in the efficiency of the Navy but in other ways. The men who retire are swelling the ranks of the unemployed among the mercantile marine. That is a very serious matter, and it is causing a good deal of feeling between the Services. Why the men should be retired at 40 when an officer only reaches that stage at the age of 50 and is kept on the active list until 65 I cannot conceive. Perhaps the Financial Secretary will give some explanation. I hope he will take these suggestions and criticisms that I have made as constructive as they were intended to be. It is very difficult to find anything fundamentally or radically wrong with the personnel or training of the Navy. I have come in contact with them a great deal, and I say without hesitation that a finer, or a more efficient body of men will not be found in the world. But in spite of that, I do not think it does to look upon the matter with too much complacency, and it is because I believe that on the strength and the efficiency of the Navy depend the security not only of this country but of the whole Empire, and the peace of the world that I move this Amendment.

9.18 p.m.

Commander MARSDEN: I beg to second the Amendment.

I do so with the greater pleasure because I think my hon. and gallant Friend has certainly struck the right subject for discussion. As far as construction goes, we are more or less tied down by our various Treaties, but in the manning and training of the Fleet we have a subject on which the House can do a lot of useful work, I do not say by adversely criticising the existing training but rather by helping the First Lord by urging him on to further efforts in that direction. At the first glance it would appear that, in regard to the numbers of the Navy, we are very much down on last year, but I now appreciate the fact that the lowest ebb of the whole of the financial year is to-day. Every day after this we shal have more men. There are 800 more boys under training this year than last. Then there is the direct entry of ordinary seamen, which started last October. Allowing about 200 men to each of the three ports, at the end of the financial year I estimate that that will give about another 800 men. I do not think that number is anything like satisfactory. I had it in mind to suggest something that my hon. and gallant Friend has already mentioned, and that is that we should utilise in some manner the unemployed in the mercantile marine. When we enter men on the short service system, as far as I know they need have no qualifications beyond possessing certain physical requirements and some sort of education, but not very much. It seems an extraordinary thing to enter men as seamen who need have no knowledge whatever of the sea. If you enter them for any other trade, the first qualification is that they should be really masters of that trade. So I suggest that we might consider the large number of seafaring young men along our coasts who would already have valuable qualities before they entered the Navy, including a close knowledge of the sea, probably greater than most men rated as seamen in the Navy would acquire after 22 years' service. They also understand discipline and know that the captain is captain of the ship and gives the orders.

My hon. and gallant Friend has suggested that the reserve should be enlarged and that these men might be used in the Fleet now. I should like to suggest another form of short service entry of five years for young men who can bring some certificate to show that they have some experience and knowledge of the sea. If they are entered for a short period, they have not a long term of years before them in case they do not like the conditions. We were told to-day that there were 42,000 unemployed in the mercantile marine, an increase of 5,000 in six months. Surely amongst them there must be several thousands whom we might enrol for five years service. It would be economical. We could explain that they could not get married and would not receive a marriage allowance and there would be no question of a pension for them, though I hope we could be generous enough to give them some reasonable bonus at the end of their term, always leaving an avenue open for a few who might be exceptional to remain on. I commend that suggestion to the Admiralty. The difficulty with the men is this, and it applies to the officers as well. The boys that we get are of the highest standard. They come in with very high qualifications and receive a very sound training, I imagine considerably sounder than officers got years ago, and they come to sea bursting with enthusiasm, thinking they are going to be immediately rated up to petty officers and, perhaps, chosen as sub-lieutenants and going on to higher ranks.

In practice the number who can do that is very small indeed, yet their qualifications up to a point are all equal, so it seems to me that, if we are going to satisfy the lower deck, we must have some other system. The more we bring in this sort of short service men, who can do a large number of duties in the ships which do not require any particularly skilled training beyond an ordinary sense of the sea and common knowledge, the better is the chance of promotion to the higher ranks of those who enter as boys and are trained for our service. Then, as they go on, they may get a chance of being chosen for sub-lieutenants. The expression "promotion from the lower deck" is entirely misleading, because those young seamen who are chosen for the rank of sub-lieutenant have been in the Service a very short time and have had no real opportunity of showing what they can do as petty officers. They merely show a certain promise that in certain conditions they may become good officers.

I am afraid that the hon. Member for Broxtowe (Mr. Cocks) was rather perturbed about these promotions from the lower deck, but it would not say much for our entry and our education through the Royal Naval College at Dartmouth if these seamen sub-lieutenants could reasonably compete. You may get an exceptional case, but, taking it generally, the seaman sub-lieutenant cannot hope to compete for promotion with the officer who has achieved his position either through the Royal Naval College at Dartmouth or is a direct entry public school cadet. Consequently as he gets on in life, he gets rather discouraged and sees no further promotion and settles down in that state of mind, which I dare say we can all appreciate, that he wants the best and softest job he can get until the day comes when he can get his pension. I suggest that the Admiralty should make sure of quite a different type of lower deck promotion. It is the warrant officer who has shown and proven his worth. It would mean promoting this type of man to lieutenant, probably in the early thirties. He would be lieutenant-commander when about 40, and could go on and retire with the rank of commander and full pension, well satisfied with his career in His Majesty's service.

These men also could often really better perform some of the duties which are done now by lieutenant-commanders who are passed over in promotion, and who go on waiting for their time to come. The promoted warrant officer is in an entirely different position. He has achieved something, and it is up to him to fulfil his job as well as he can until the end of this service. We come then to the commander—for the big jump is from lieutenant-commander, and then from commander to captain. The number promoted from one rank to the other is pitiably small. There, again, once an officer is out of the zone it is simply a question of waiting for the year to come when he can retire on the highest maximum pension. The First Lord has laid great stress on age. There I do not agree with him at all. When I was a midshipman I used to think that 40 was quite old, but when I arrived at the age of 40 I was not at all of that opinion. After

[Commander Marsden.]

all, what is age? Experts tell us that you cannot judge a lady by the years she has lived, but rather by her looks. I know perfectly well that you cannot judge a man by his age. I would not judge a man even by his agility. We want a man whose brain is strong, who can visualise a position and give strong orders and see that they are carried out. What have years got to do with that? It is the man himself.

It was not the young man that you called in in the awkward situation in the Fleet about two years ago. We did not send for any young admiral but for one of the oldest seagoing admirals of the Fleet and a man who, if he had not had that opportunity, would probably never have been employed again. So I do hope the Admiralty will keep out this idea of age and come to some other arrangement which will ensure that the best officers are retained irrespective of age. The First Lord said that thanks were due, as they undoubtedly are, to the six senior admirals who have gone in order to start the flow of promotion right down to lieutenant-commander. That was very noble and patriotic of them. It was not quite satisfactory for the captain who was employed and who might have been employed a year or two longer, but who has had to come to the top of the list, without the slightest desire to do so, and has had to be promoted and retire the next day, but it was satisfactory for the commander who could get promotion to captain. Although that may have covered an emergency, I hope the First Lord will not look upon it as a regular or permanent method of keeping the circulation of promotion going. All that has to do with men and officers.

May I say a word about the actual training of the Fleet at sea? I do wish more money could be spent on fuel and munitions, because training is everything. I, personally, had some considerable experience in small ships at sea, and I know full well what it means. Take the ordinary destroyer, and compare it with what destroyers used to be. At Cowes last year I saw a beautiful destroyer, shining with enamel, and perfect. I went down into the engine-room to pass the customary compliments to her engineer, remarking that the engines must have been made by Cartier. The vessel was very wonderful, but I do not feel altogether sure that that ship would be any more effective in a night attack in a rough sea against the enemy than the ships of 15 years ago with the very experienced type of officers to command them—not that I am saying anything against the present officers. On a ship the man is everything. I know full well that in the War if any commander-in-chief had to send out a destroyer for a certain job he would not say, "Has that ship a good gunnery or torpedo record?" He would look at the list of officers and say, "That is the chap; send him to me. I do not care what the ship is; it is the fellow I want. He is going to be in the right place and do the right thing." If you accept that, you can balance the ability, training and experience of the commanding officer against all the other assets of gunnery, torpedoes and everything else. Therefore, I ask the First Lord to give every opportunity to these ships to undergo the fullest system of training as near active service conditions as possible.

That brings me to one other subject, training in sailing ships. I did not quite agree last year with the possibility of training all boys in sailing ships. I knew what that meant. It meant having small sailing ships going round the coast, attached to somebody, for in the Navy you always have to be attached to someone. Those ships would have gone out for sailing purposes and training with orders to be back on a certain date because of arrangements made for them ashore. I, myself, was in favour of rather a different form of training, and I still hope it may be brought about. I have in mind rather the training of men who have shown themselves good seamen and men who would become good petty officers. Out of these there may be selected a certain number to go to sea in sailing ships, not in the small ship, such as a brig or sloop but a well-found ship of some size, with a complement of 300 or 400 men who might make a long voyage round the Horn or to Australia or the Cape. I do not think that there is any man who knows anything about it who will disagree with me when I say that if that ship went off under no orders but those of her captain, the men would return in a few months much better men than when they went.

The cost is not great, not so much as a modern destroyer, and the ship's life is five times as long. The actual consumption of stores is also very small. I hope engines would not be put in her at all. She might be tempted to start the engines going out but on the way back I can see the engines not functioning at all, and the company waiting three weeks outside Plymouth Sound in order to come in under full sail at the proper time. I hope the First Lord will stick to it. He has been talked off it, and I hope he will again show his great powers of persuasion and get this done. I hope it will be realised that you cannot have training without money. Money must be spent in fuel and ammunition, and I do feel that an extra £200,000 or £300,000 spent in that way would be far more to the advantage of the Fleet than large sums we are now spending on reconditioning capital ships. The "Repulse," for example, has just come in for 2 to 2½ years refit costing probably the best part of £750,000. Whatever we have in the way of numbers of ships, I feel sure that the Motion will commend itself to the House. It is merely to ensure that however small and insignificant our Fleet may be, it shall be the best manned, most efficient and best equipped fleet of its size in the world.

9.36 p.m.

Mr. CHARLES BROWN: I do not know whether the hon. and gallant Gentleman the Member for the Isle of Wight (Captain P. Macdonald) and the hon. and gallant Member for North Battersea (Commander Marsden) have been members or not of any of the economy committees about which we have heard so much in recent days, but, apparently, neither of the hon. and gallant Gentlemen is satisfied with the proposals which have been put before the House to-day involving an increase in the Navy Estimates of over £3,000,000. Both of the hon. and gallant Gentlemen are asking for more, and I cannot refrain from making a few comments in view of that fact. The hon. and gallant Member for the Isle of Wight used the phrase that he thought the Admiralty in these days was too much at the mercy of the technicians. Does he think that the Admiralty are their own masters in a matter of that description? Is it not rather that if the Admiralty did not pursue certain policies in regard to technical development they would be ousted by their competitors in other parts of the world? Is it not a fact that if technical developments were not initiated by the Admiralty they would be forced upon them by developments elsewhere, and are not the same processes going on in technical warfare as are going on in industry? Surely, the hon. and gallant Gentleman must know, when talking about the decline in personnel, that part of such decline is due to technical changes. In 1914 we had 39,000 stoker ratings in the Navy and now we have only 18,000 which is largely due, of course, to the change from coal to oil. Obviously, these technical changes bring about reductions in personnel. It is extraordinarily difficult to follow the arguments put forward by the hon. and gallant Member in regard to increasing the personnel of the Royal Navy, when he must know from his own experience and from his knowledge of the Navy that the continual technical changes which have taken place analogous to changes in industry are calculated to reduce personnel, and not to increase it.

I did not hear the opening sentences of the hon. and gallant Member's speech, but when I came into the House he was talking about the protection of trade routes. I cannot help thinking that although the trade routes will be there for a long time, the trade along those routes will be non-existent if His Majesty's Government continue to pursue their present policy much longer. The routes will be there, but there will be no trade to protect if present policies are pursued. Consequently, that may result in the naval economies which many of us on these benches desire. Everybody has been impressing upon us the great need for economy. Ministers have told us about it, and so have back benchers and Members who support His Majesty's Government. I am certain that all Chancellors of the Exchequers would desire to reduce taxation. It is only because of the geographical and the historical traditions of the Admiralty that probably they have this year been able to wring additional expenditure out of an unwilling Chancellor of the Exchequer. He must have been unwilling in view of the very great difficulties. I

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see that the First Lord shakes his head. I am very glad to know that in certain directions the Chancellor of the Exchequer is willing to spend some money. He is certainly not willing to spend money in the direction I want him to spend it. At any rate, I must take the word of the First Lord that he was not unwilling on this occasion. If you spend money like this at a time when the Chancellor of the Exchequer will have great difficulty in balancing his Budget, I think that before we go into the Lobby hon. and gallant Members who have made speeches in favour of a larger Navy and increased personnel which involves increased expenditure ought to be asking themselves certain questions. In four or five weeks from now they will be asking for reductions in the Income Tax, and I suggest that it is to-day they ought to be thinking about that matter.

Commander MARSDEN: My hon. Friend must realise that having made my suggestion for spending money, I put in a suggestion that the money should be taken off the amount now being used for refitting the big ships and used to better advantage for training. It would not mean any extra expenditure on the total Estimate.

Mr. BROWN: That may be the position with regard to the hon. and gallant Gentleman who seconded the Amendment, but the hon. and gallant Gentleman the Mover made no such qualification. I must accept the word of the hon. and gallant Member when he says that he does not want additional expenditure. He thinks that all he requires through the instrumentality of this Amendment could be obtained without additional expenditure. I take his word for it, but that does not alter the general argument. I am asking hon. Members who are in favour of economy and who four or five weeks from now will be asking for reductions in Income Tax to think about the matter to-day. On that occasion there will be another group of hon. Members—perhaps I shall be among them—asking for a reduction in the Beer Duty, but it is to-day that we ought to be thinking about that matter and not in a month's time. If to-day hon. Members go into the Lobby and support proposals which will make it difficult for the Chancellor of the Exchequer to balance his Budget, let alone reduce taxation, how inconsistent will it be in four or five weeks' time to ask for reductions in taxation? Let hon. and gallant Members think about it now, and when a Division is taken go into the Lobby with us against the proposed additional increase in naval expenditure.

9.44 p.m.

The PARLIAMENTARY SECRETARY to the ADMIRALTY (Lord Stanley): I am sure that all Members of the House who are interested in naval affairs will join with me in thanking the hon. and gallant Member for the Isle of Wight (Captain P. Macdonald) for raising a subject which is of such paramount importance to the Navy in the interest both of the efficiency and welfare of the Fleet. I need hardly say that we on this bench fully endorse the terms of his Amendment. In his opening sentences he gave us an interesting comparison of the numbers of our personnel with the numbers of the personnel of other countries. I do not propose to follow him very far in that direction, but I would point out that the size of Vote A is determined by the size of our Fleet, and that again is controlled by various agreements which have been come to at Washington and in London, and also by the decision of the Board of Admiralty as to the number of ships which are to be kept in commission. A Debate on those lines would, therefore, be most interesting and, I venture to say, most profitable. But it raises the whole question of naval policy, which I think is far too wide for this Amendment.

I would ask hon. Members not to pay too much attention to actual numbers. Every country has a different method of manning its ships; different countries' ships of the same tonnage and armament might have an entirely different complement, and it must not be assumed from that fact that the ship with the smaller complement is any the less efficient. Efficiency is determined by the quality, not by the quantity, of the men in the ship. You might as well suggest that to level up the difference between Oxford and Cambridge you should put another man into the Oxford boat, but I do not think that you would find much gratitude for that suggestion. He would only get in the way, and he would find nowhere to sit down. The same condition would apply in modern ships. You only put in enough men for the work that there is for them to do, and—what is in these days very important—for the accommodation which is available for them. I can assure hon. Members that full weight is given to the highest standards of training and of fighting ability when the complement of our ships is fixed.

But I would rather deal to-night with a point of more pressing importance, and that is our actual requirements and our present difficulties. This is a very opportune moment to raise this particular discussion. For many years past cuts have been made in Vote A. It has been a very popular form of economy, and I cannot blame my predecessors, who have all been hard pressed, for having availed themselves of this measure. It is a very simple matter to put a ship into reserve, and so to be able to produce economies, and that reduction goes the whole way through the Votes, not only in the pay, but in the clothing, the victualling and the expenses of keeping a ship in commission. So it will be widely understood that that has been a popular way of making the reductions which have been enforced by economy. Now the full effect of that reduction has not been felt until this year. You can put a ship into reserve in a very short time, but it is obviously impossible to get rid of the men in the same time. That would be an arbitrary and unfair way of dealing with them: because their ship is put into reserve, to get rid of them at very short notice. You have perforce to keep them until the period of their engagement has expired.

In recent years, therefore, we have been carrying more men than the fleet actually requires. We have had the use of them, and therefore have not until this year felt the problem to its full extent. This condition, as the First Lord told us in his speech, no longer exists. We are now down to the low limit; in fact this year there has got to be some small increase. The figures at the end of this financial year are going to be 89,350; by the end of the next financial year, for which these Estimates have been framed, it goes up by nearly 1,000. This, then, is the key year. We have reached the datum line, or the limit, which has been mathematically calculated according to the number of ships in commission and other requirements of His Majesty's Navy, with, in addition, a small margin which is in no sense a pool for emergencies but simply sufficient extra men to enable the machinery of drafting to work. Mathematically, we make no allowances for illness, leave, and other reasons of absence of that kind, but in practice, of course, we have to make allowances for that and for the time taken up in transport. For this reason we have to have a small margin simply to enable the machinery of drafting to work at all.

I can assure the House that drafting is one of the most difficult problems which the Admiralty has to face. It is dependent on so many human factors and so many varying conditions. In working on our various drafting plans we keep two main objects in view. The first is to make as few changes in commissions as possible; that point has been fully stressed not only in this Debate but even more in the Debate last year, and I do not think that one can possibly exaggerate its importance. If you can only get these full two-year commissions without any large number of changes in the personnel, you give a chance to the men to settle down, to the officers thoroughly to know their men, and to the men thoroughly to know their jobs. Our second object, equally important, is to get a fair division of every man's time between foreign service, service in the Home Fleet, and shore service, that is, in establishments on land. It can be readily understood that this fair division is a question of the very greatest importance, particularly to the older seamen who have got wives and families on shore.

In order to achieve these objects and to counteract the present shortage, we have adopted several administrative expedients. One has been that active service ratings in certain shore establishments have been replaced by pensioners. Another one has been that ships on a foreign station have come home and paid off before the new ships which are to relieve them have commissioned. Now it is quite obvious that these expedients are not good in themselves. They are not expedients which we could recommend for general adoption, but we feel that they are, on the whole, better than the major evil of continued changes in the ships' companies during commissions,

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particularly in the Home Fleet. We are now engaged in working out a scheme of drafting which we hope, in combination with the increase in Vote A, will prove to be a real cure. Sailors, whether they be officers or men, must realise that a little over half their time must be spent on foreign service. When they are at home their time is divided equally between service in the Home Fleet and shore service, which covers barracks and training establishments. It is very clear that if you want, say, a two-years' undisturbed commission in the Home Fleet —which is the period at which we aim— then officers and men do approximately five years abroad and five years at home, the five years abroad almost always being broken by a spell up to six months at home. This is the principle upon which we propose to work in the future, and which we hope will meet with success.

The whole problem of drafting would be comparatively simple if all men belonged to the same category. You would then only need rough-and-ready divisions into those men you want for your foreign service, those for service in the Home Fleet, and those for service with the shore establishments. But it is greatly complicated by the fact that there are no less than 100 groups of men, all of which have to have their own particular drafting margins. These particular groups or grades of men are really necessary because they are the only men who can carry out particular work in such a complicated machinery as a modern ship of war. The comparatively simple problem which drafting must have presented in years gone by now becomes a jigsaw puzzle of the most formidable dimensions.

I cannot leave the subject of personnel without touching on the chances of promotion. This is obviously a matter affecting the interests and welfare of all ranks in the Navy. Numbers affect materially the chances of promotion. At the top of each rank there is a funnel through which only a limited number can reach the next stage. As far as officers are concerned we are working at it from both ends. We are clearing the top of the list accelerating promotion to captains by one year; and at the same time we are investigating the possibility of reducing the number of posts in a ship which need be filled by junior officers, thus limiting new entrants in proportion. Obviously, the fewer the number of new cadets in the Navy, provided that the senior appointments remain the same, the greater will be the chances of anyone in attaining them. This reduction in the duties of junior officers also fulfils another purpose. It gives a much needed experience to senior petty officers. If the hon. Member for Broxtowe (Mr. Cocks) had read the OFFICIAL REPORT this morning he would have found that several of his questions were answered last night. The number of promotions from the lower deck for the coming year have not yet been settled. In answer to a question yesterday I told the hon. Member that the reason only eight promotions for sub-lieutenants and four in the engineering branches were made, was that although a greater number had been selected these were the only persons qualified.

One word about the new scheme of promotion from the lower deck. I should like to assure the hon. and gallant Member for Battersea North (Commander Marsden) that the promotion of warrant officers to lieutenants is still going on and has not been interfered with in any way by the new scheme. Those interested in this matter will know that the object of the new scheme is to equalise the chances of lower-deck promotions with those who come in as cadets. Previously they were selected at a rather older age than cadets, and quite apart from any disadvantage they may have in having less educational facilities there was the added disadvantage of starting life as a sub-lieutenant several years older than their colleagues from the special entry class or the cadets. The whole point of the scheme is to remedy that evil, and to select them soon after they have joined the ship, give them as much training in the ship as possible, and eventually send them for a preliminary course at Greenwich before they are assimilated into the sub-lieutenants' course at Greenwich; and then go through the remaining stages of the Navy *pari passu* with those who come in by special entry and the cadets.

So far I have only dealt with the promotion of officers, but we are equally sympathetic with the desire of ratings for chances of promotion One of the disadvantages of the scheme propounded by the hon. and gallant Member for the Isle of Wight to lengthen the service for men beyond the normal 22 years by another five years, would, obviously, be to retard promotion. The men would be much older before reaching responsible rank. It would also materially affect the number of reserves. I quite agree that we can give men in the ratings a better chance of promotion by taking in a larger number of short-service men, and that is one of the reasons why this year we have recruited just under 1,000 short-service men. The hon. and gallant Member for Battersea North went a step further and suggested that we should take in an additional 5,000 men, not only to help unemployment in the mercantile marine, but also to tide us over our present shortage of numbers. Although that is an extremely interesting and ingenious suggestion I am afraid it is one that we cannot accept because the number of short-service men is limited to the fixed proportion which is allowed in each ship for long-service and short-service men. Furthermore, it would be uneconomic to train short-service men for higher non-substantive rates and petty officers.

Our desire is to equalise the flow into and out of the Reserve. One of the difficulties we have to face at the present time is that our establishments are full because a great number of men went into the Reserve this year and, therefore, if we wanted more we have not room to train any new recruits. If we were to go back to the *ad hoc* method suggested by the hon. and gallant Member for North Battersea, I am afraid that in five years time we should be faced with exactly the same difficulty. The Admiralty policy in regard to recruiting and discharges is to avoid peaks whenever possible. I have been asked whether we are satisfied with the numbers we have got. I can only repeat that we have not room this year to train any more. The right hon. Member for Darwen (Sir H. Samuel) asked whether Vote A numbers would be increased next year. I hope my right hon. Friend will not think me impertinent if I give him the answer given on many occasions by one of the most illustrious leaders of his party, wait and see, until next year's Estimates are introduced.

This is a test year. We are glad of the opportunity of telling the House some of our drafting difficulties, and to assure them that our future requirements will have to be based on the experience gained during the next 12 months. There is not much to be said with regard to training. The ground was fully covered by the Debate last year and by the speech of the First Lord to-day. But there are one or two points which I do not think have been sufficiently realised. One is that the fuel allowance which was cut last year has now been restored, and that the "Frobisher" taking cadets from Dartmouth and special entrants, has now nearly completed its first voyage.

I think a word or two ought to be said on the subject of Dartmouth. Several speakers have expressed doubt whether we were getting full advantage from selecting recruits from Dartmouth, and whether we ought not to rely on the special entry, so that we would not have to pay for so many years of their education. Comparisons are odious, and I certainly do not intend to compare the present products of Dartmouth and the special entry. We are getting admirable results from both. I feel convinced that we are now getting the best value for our money. We have promised that at least 25 vacancies shall be given to the special entry for next year. Personally I think that is about the highest number that we will get from civil educational establishments and yet keep up the high standard that has so far been shown. I think the numbers that are now allotted to our own educational establishment are those best suited for the purpose. I must admit that when I first came to the Admiralty I felt some of the doubts that some of my hon. Friends have expressed this afternoon, but I feel quite convinced that the proportion which we are now allotting is the correct one, and that the only criticism which could fairly be levelled against Dartmouth, namely, that of expense, has been fairly met in the Estimates now presented.

In conclusion I would take an opportunity which is very rarely given of paying a tribute to the Royal Marines, the engineering, accounting and medical branches, and to all classes of Reserves. They carry out their work with such quiet efficiency that they do not get the credit to which they are fully entitled. There are one or two points of interest that the House might like to hear about these various branches. The Royal Marines since the War have suffered from very

[Lord Stanley.]

slow promotion of the officers, on account of reductions which have been made. I am glad to say that that is now adjusting itself and that there are good prospects for young officers in the years to come. With regard to the engineering branch it is important to realise that there is a common entry for cadets in Engineering and Executive Branches and their early training is the same. They then go on to Keyham, where they have a technical education second to none. Both in the Service and out of it they have good prospects. They have particularly good prospects on retirement, owing to the technical education which they have been able to get during their time in the Navy. The conditioning of the "Frobisher" as a sea-going training ship has enabled us to send paymaster cadets to sea for training before their appointment to ships in the seagoing fleets, and that I am sure will be found most advantageous to all concerned. I regret that in the medical branch the shortage of officers still exists. I think the shortage is felt by all the Service departments. It is now the subject of an inquiry by an Inter-Departmental Committee, and we hope soon to find a correct solution of the difficulty.

Now a few words about the Reserves. I am sure that the House will learn with pleasure that it has been decided that four captains of the Royal Naval Reserve and two captains of the Royal Naval Volunteer Reserve are to hold the rank of commodore. The rank is to be given to active and retired officers, and is to be held for life. I hope it will be taken in the spirit in which it is given, as a tribute to the service which they have rendered. I am sure that the whole House will greatly appreciate the patriotism and the devotion to duty shown by the personnel of the Reserve, to whom the Royal Navy owes a deep debt of gratitude.

The Amendment and the speeches this afternoon have been very comprehensive and have covered practically every branch and department and sphere of activity for which the Admiralty is responsible. I hope that in the speeches which have been made from this bench most of the questions that have been put to us have been answered, and that as a result the House is satisfied that every aspect of the problem affecting the personnel, both in its training and its welfare, is receiving and will continue to receive the closest continuous attention of the Lords of the Admiralty.

Captain P. MACDONALD: I would thank the Financial Secretary to the Admiralty for his comprehensive reply to the points I raised, and, in view of its satisfactory nature, I beg to ask leave to withdraw my Amendment.

Amendment, by leave, withdrawn.

Question put, "That Mr. Speaker do now leave the Chair."

The House divided: Ayes, 189; Noes, 30.

Division No. 85.] AYES. [10.12 p.m.

Agnew, Lieut.-Com. P. G.
Albery, Irving James
Allen, Sir J. Sandeman (Liverp'l, W.)
Anstruther-Gray, W. J.
Applin, Lieut.-Col. Reginald V. K.
Apsley, Lord
Aske, Sir Robert William
Astbury, Lieut.-Com. Frederick Wolfe
Baillie, Sir Adrian W. M.
Balniel, Lord
Beaumont, Hn. R. E. B. (Portsm'th, C.)
Bernays, Robert
Borodale, Viscount
Boulton, W. W.
Boyd-Carpenter, Sir Archibald
Braithwaite, J. G. (Hillsborough)
Broadbent, Colonel John
Brocklebank, C. E. R.
Brown, Ernest (Leith)
Brown, Brig.-Gen. H. C. (Berks., Newb'y)
Buchan-Hepburn, P. G. T.
Burgin, Dr. Edward Leslie
Burnett, John George
Cadogan, Hon. Edward
Campbell, Vice-Admiral G. (Burnley)
Caporn, Arthur Cecil
Carver, Major William H.
Castlereagh, Viscount
Clarke, Frank
Clayton, Dr. George C.
Cobb, Sir Cyril
Colman, N. C. D.
Colville, Lieut.-Colonel J.
Cook, Thomas A.
Copeland, Ida
Craven-Ellis, William
Crooke, J. Smedley
Crookshank, Col. C. de Windt (Bootle)
Crookshank, Capt. H. C. (Gainsb'ro)
Cross, R. H.
Crossley, A. C.
Cruddas, Lieut.-Colonel Bernard
Davies, Maj. Geo. F. (Somerset, Yeovil)
Dickie, John P.
Donner, P. W.
Doran, Edward
Duggan, Hubert John
Duncan, James A. L. (Kensington, N.)
Ellis, Sir R. Geoffrey
Elmley, Viscount
Emrys-Evans, P. V.
Evans, Capt. Ernest (Welsh Univ.)
Fermoy, Lord
Foot, Dingle (Dundee)
Ford, Sir Patrick J.
Fuller, Captain A. G.
Ganzoni, Sir John
Gillett, Sir George Masterman
Glossop, C. W. H.
Gluckstein, Louis Halle
Goff, Sir Park
Goodman, Colonel Albert W.
Grattan-Doyle, Sir Nicholas
Greene, William P. C.
Grimston, R. V.
Guinness, Thomas L. E. B.
Gunston, Captain D. W.
Guy, J. C. Morrison
Hall, Capt. W. D'Arcy (Brecon)
Hanbury, Cecil
Harbord, Arthur
Harvey, Major S. E. (Devon, Totnes)
Headlam, Lieut.-Col. Cuthbert M.
Heilgers, Captain F. F. A.
Henderson, Sir Vivian L. (Chelmsford)

Heneage, Lieut.-Colonel Arthur P.
Hills, Major Rt. Hon. John Waller
Holdsworth, Herbert
Hope, Capt. Hon. A. O. J. (Aston)
Hornby, Frank
Horsbrugh, Florence
Howard, Tom Forrest
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M. (Hackney, N.)
Hunter, Dr. Joseph (Dumfries)
Hunter, Capt. M. J. (Brigg)
Inskip, Rt. Hon. Sir Thomas W. H.
James, Wing-Com. A. W. H.
Jennings, Roland
Joel, Dudley J. Barnato
Jones, Lewis (Swansea, West)
Ker, J. Campbell
Kerr, Lieut.-Col. Charles (Montrose)
Kerr, Hamilton W.
Lamb, Sir Joseph Quinton
Law, Sir Alfred
Law, Richard K. (Hull, S.W.)
Leckie, J. A.
Lees-Jones, John
Leighton, Major B. E. P.
Lindsay, Noel Ker
Lockwood, John C. (Hackney, C.)
Lovat-Fraser, James Alexander
Mabane, William
MacAndrew, Lieut.-Col. C. G. (Partick)
Macdonald, Capt. P. D. (I. of W.)
McKie, John Hamilton
Mallalieu, Edward Lancelot
Margesson, Capt. Rt. Hon. H. D. R.
Marsden, Commander Arthur
Martin, Thomas B.
Mayhew, Lieut.-Colonel John
Merriman, Sir F. Boyd
Mitchell, Harold P.(Br'tf'd & Chisw'k)

Molson, A. Hugh Elsdale
Monsell, Rt. Hon. Sir B. Eyres
Moreing, Adrian C.
Moss, Captain H. J.
Nall, Sir Joseph
Nation, Brigadier-General J. J. H.
Normand, Wilfrid Guild
Nunn, William
Pearson, William G.
Percy, Lord Eustace
Perkins, Walter R. D.
Peters, Dr. Sidney John
Petherick, M.
Peto, Geoffrey K.(W'verh'pt'n, Bilst'n)
Pickford, Hon. Mary Ada
Pownall, Sir Assheton
Raikes, Henry V. A. M.
Ramsay, T. B. W. (Western Isles)
Ramsden, Sir Eugene
Rea, Walter Russell
Reed, Arthur C. (Exeter)
Reid, David D. (County Down)
Reid, William Allan (Derby)
Remer, John R.
Rentoul, Sir Gervais S.
Robinson, John Roland
Ropner, Colonel L.
Ross, Ronald D.
Runge, Norah Cecil
Russell, Alexander West (Tynemouth)
Russell, Richard John (Eddisbury)
Rutherford, Sir John Hugo (Liverp'l)
Salt, Edward W.
Samuel, Rt. Hon. Sir H. (Darwen)
Samuel, Samuel (W'dsworth, Putney)
Sandeman, Sir A. N. Stewart
Selley, Harry R.
Shakespeare, Geoffrey H.
Shaw, Helen B. (Lanark, Bothwell)

Slater, John
Smiles, Lieut.-Col. Sir Walter D.
Smith, Sir Jonah W. (Barrow-in-F.)
Somervell, Donald Bradley
Somerville, Annesley A. (Windsor)
Sotheron-Estcourt, Captain T. E.
Spencer, Captain Richard A.
Stanley, Lord (Lancaster, Fylde)
Stones, James
Storey, Samuel
Strauss, Edward A.
Strickland, Captain W. F.
Sueter, Rear-Admiral Murray F.
Sugden, Sir Wilfrid Hart
Sutcliffe, Harold
Templeton, William P.
Thompson, Luke
Thomson, Sir Frederick Charles
Thorp, Linton Theodore
Todd, Capt. A. J. K. (B'wick-on-T.)
Tryon, Rt. Hon. George Clement
Turton, Robert Hugh
Wallace, Captain D. E. (Hornsey)
Ward, Lt.-Col. Sir A. L. (Hull)
Ward, Sarah Adelaide (Cannock)
Warrender, Sir Victor A. G.
Wedderburn, Henry James Scrymgeour-
Whiteside, Borras Noel H.
Whyte, Jardine Bell
Wills, Wilfrid D.
Windsor-Clive, Lieut.-Colonel George
Winterton, Rt. Hon. Earl
Wise, Alfred R.
Womersley, Walter James
Wood, Sir Murdoch McKenzie (Banff)
Young, Rt. Hon. Sir Hilton (S'v'noaks)

TELLERS FOR THE AYES.—
Lord Erskine and Commander Southby.

NOES.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Batey, Joseph
Brown, C. W. E. (Notts., Mansfield)
Buchanan, George
Cocks, Frederick Seymour
Cripps, Sir Stafford
Daggar, George
Davies, David L. (Pontypridd)
Edwards, Charles

Greenwood, Rt. Hon. Arthur
Grenfell, David Rees (Glamorgan)
Groves, Thomas E.
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Hirst, George Henry
Jones, Morgan (Caerphilly)
Lunn, William
McEntee, Valentine L.
Maxton, James

Nathan, Major H. L.
Parkinson, John Allen
Price, Gabriel
Salter, Dr. Alfred
Tinker, John Joseph
Williams, David (Swansea, East)
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE NOES.—
Mr. John and Mr. G. Macdonald.

Supply accordingly considered in Commitee.

[Captain Bourne in the Chair.]

PERSONNEL.

Resolved,

"That 90,300 Officers, Seamen, Boys, and Royal Marines be employed for the Sea Service, together with 865 for the Royal Marine Police, borne on the books of His Majesty's Ships, at the Royal Marine Divisions, and at Royal Air Force Establishments, for the year ending on the 31st day of March, 1934."

WAGES, ETC., OF OFFICERS AND MEN OF THE ROYAL NAVY AND ROYAL MARINES, AND CIVILIANS EMPLOYED ON FLEET SERVICES.

Resolved,

"That a sum, not exceeding £12,593,000, be granted to His Majesty, to defray the Expense of Wages, etc., of Officers and Men of the Royal Navy and Royal Marines, and Civilians employed on Fleet Services, which will come in course of payment during the year ending on the 31st day of March, 1934."

WORKS, BUILDINGS AND REPAIRS AT HOME AND ABROAD.

Resolved,

"That a sum, not exceeding £2,184,300, be granted to His Majesty, to defray the Expense of Works, Buildings and Repairs at Home and Abroad, including the cost of Superintendence, Purchase of Sites, Grants, and other Charges connected therewith, which will come in course of payment during the year ending on the 31st day of March, 1934."

VICTUALLING AND CLOTHING FOR THE NAVY.

Resolved,

"That a sum, not exceeding £3,099,800, be granted to His Majesty, to defray the Expense of Victualling and Clothing for the Navy, including the cost of Victualling Establishments at Home and Abroad which will come in course of payment during the year ending on the 31st day of March, 1934."

Resolutions to be reported upon Monday next; Committee to sit again upon Monday next.

WAYS AND MEANS.

Considered in Committee.

[Captain BOURNE in the Chair.]

Resolved,

"That towards making good the Supply granted to His Majesty for the service of the year ended on the 31st day of March, 1932, the sum of £97 1s. 5d. be granted out of the Consolidated Fund of the United Kingdom."

Resolved,

"That towards making good the Supply granted to His Majesty for the service of the year ending on the 31st day of March, 1933, the sum of £187,180 be granted out of the Consolidated Fund of the United Kingdom."

Resolved,

"That towards making good the Supply granted to His Majesty for the service of the year ending on the 31st day of March, 1934, the sum of £208,772,100 be granted out of the Consolidated Fund of the United Kingdom."—[*Captain Margesson.*]

Resolutions to be reported upon Monday next; Committee to sit again upon Monday next.

LOCAL GOVERNMENT (GENERAL EXCHEQUER CONTRIBUTIONS) BILL.

Order for Third Reading read.

Motion made, and Question proposed, "That the Bill be now read the Third time."

10.25 p.m.

Mr. BATEY: Surely this Bill is not going through without a protest. I am sorry to speak at such a late hour, but it means so much to some of us in the distressed areas that we are bound to make a protest before the Bill goes through. It will not help the distressed areas in the least. To-night the House has spent its time in granting an increase of £3,000,000 to the Navy, and it is shameful that the Minister should give us only £350,000 for the second grant period. A better case can be made out for a larger sum of money for the distressed areas than can be made out for a larger sum for the Navy. When we know that three county councils and 20 county boroughs are to have divided among them only £145,000, it means that some of our distressed areas will really get nothing and they will be in a serious condition with the cost of Poor Law jumping up as it is. The estimate for public assistance expenditure in Durham has increased enormously during the last three years. In 1931 the expenditure for public assistance was £920,000. This year the estimate is £1,376,000. As we are to get only £145,000 to be divided among three county councils and 20 county boroughs, we are entitled to protest against the very small amount which the Minister is offering for distressed areas.

The Minister surely cannot realise how the numbers of those in receipt of Poor Law relief are increasing. As a matter of fact, the increase per week for Poor Law relief in Durham is £1,499. That entitles us to far more generous treatment from the Government than we are receiving. When an hon. Member, not of our party, but of the party opposite, raised the question of the distressed areas the other day, I understood from the Parliamentary Secretary that the Minister was considering some alteration in the second grant period, and that the period which we were deciding in this Bill would not operate for the four years. I understood that it might operate for two or three years, but not for as long as four years. Even a second grant period of two years will leave us for this year and next year in a very critical position. Before this Bill goes through the Minister should tell us what he means to do for the distressed areas to help them in their very serious position, just what he is thinking of doing, and when we may expect some financial help for the distressed areas in order to assist them to meet this increasing cost of Poor Law relief. Unless the Minister can do that I think we are entitled to object to the Third Reading of this Bill.

10.30 p.m.

Mr. GREENWOOD: This Bill is now leaving the House without having gained the strong approval of any Members. The Government can claim no credit for it. They are merely implementing an Act passed three Governments ago, by the Conservative Government in 1929. The right hon. Gentleman has been unfortunate in his legislation. He had to bring forward this Bill, he could not help it and I am not blaming him for that. He has done, as has been explained on more than one occasion, the minimum which the law allows. As the Parliamentary Secretary explained, this is a routine Bill, and it has to be passed very rapidly through all its stages in this House during a time of very severe economic depression when local authorities, obedient to the will of the National Government, have for 18 months economised because they believed that that was the right policy. Now it is quite clear that many Members of this House believe that that policy is a mistaken one, and many local authorities, having done their best to meet the wishes of His Majesty's Government, are to-day faced with a situation which is more difficult on the whole than that of the Imperial Government.

Since the Bill was introduced great cities, cities which are not in the hands of Members of my own party, but under the control of what may be called "national majorities," Conservative or Liberal, have felt the increasing burden of responsibility placed upon them by the National Government to be so serious that even they have revolted. Whatever may be the truth about the formula under which the Minister has, in this Bill, acted like a robot, the fact is that when that formula was devised nobody could foresee the situation which would obtain in 1933. The situation is this, that because of a world-wide depression, because of an enormous volume of unemployment, because of the deliberate policy of the Government in having forced people off national funds on to local funds, our local authorities are faced with an increasing local burden which is beyond their power to bear. This Bill leaves the House without any gesture of help to local authorities who are helping to bear the national burden. A great city like Liverpool is virtually bankrupt. I was criticised by the Minister for using that term. I used it advisedly. I quoted the words of a member of his own party in the city of Liverpool. This great city, one of the greatest in the Empire, a city which has always been prepared to bear its responsibilities, has had to revolt. It has taken its part in economising under the policy of the Government, but, faced with a Poor Law bill of more than £1,500,000 for the coming year, a burden due not to Liverpool, but to broad economic forces, which did not originate in Liverpool and which cannot be cured in Liverpool, that city to-day is a stricken city. The term "distressed area" with which we have become accustomed in this House during the last ten years, was a term which used to apply to mining or shipbuilding areas, but to-day there are distressed areas that were unknown in this country at that time. Until after 1929, Liverpool would have been ashamed to describe itself as a distressed area. To-day it is distressed.

The major criticism which can be brought against the Government is that when they had the opportunity, after local authorities had come to their assistance and carried out the policy of economy, of coming to the assistance of local authorities, by doing a little more than the minimum required under the Local Government Act, they did only the minimum. The local authorities, not merely those which had been distressed for 10 years but those which have become distressed during the past two years, might have been given some greater assistance under the 1929 Act. They are given the letter of the law. Only this week there have been appeals from the local authorities to which the right hon. Gentleman the Minister of Health has not responded. However hard the burden may be upon the taxpayer, during these days of increasing numbers of people on the Poor Law the burden of the rates is much heavier than the burden which falls upon the taxpayer.

Though this Bill does what is equivalent to what was done in 1929, it does nothing to help the ratepayers, who to-day are sorely stricken, or the local authorities who are desirous of carrying out their responsibilities. It does nothing to assist those town councils and county councils which to-day are suffering from an enormous burden of unemployment. We have been told that, because of the automatic operation of another formula, certain moneys will go to distressed areas as defined by the formula of the Local Government Act. As much money as goes to those areas will be withdrawn from areas which to-day are becoming as distressed as the areas which have been helped. The operation of the unemployment formula does not help. The enormous mass of unemployment is so large to-day—it is much larger than was contemplated by the Chancellor of the

[Mr. Greenwood.]

Exchequer when he introduced the Local Government Bill—that the operation of the formula by taking money from one authority and giving it to another does not assist.

Our case against the Bill is that, in these times with unemployment higher than ever it has been in the history of our country and with burdens falling on local authorities larger than have ever fallen on them before, the Government which might have come to their assistance have failed to do so. I am aware that nothing I can say will alter the decision of the House to-night. The Bill will get its Third Reading, but I desire to make our final protest against the niggardliness of the Government when, after all this cajolery, bullying, and, indeed, misleading of the local authorities, they might have come to their assistance, they have failed to do so. The Government will get their Bill, but the local authorities and all those who are concerned with local government know that His Majesty's Government are imposing on local authorities a burden which it is impossible for them to bear. I should have thought that the Government might have done something to assist them in their difficulty, but they have done no more than an Act passed four years ago prescribes. Their policy has put upon them burdens which are intolerable.

The MINISTER of HEALTH (Sir Hilton Young): Both of the speakers who have opposed the Third Reading of this Bill have given a very wide sweep to their arguments, and, in so doing, they have followed the same course of action which commended itself to them both on the Financial Resolution and on the Second Reading. If I do not follow them to-night, it is because, on both of those occasions, the House has had already a very full discussion on these points. I will content myself rather, in the first place, with pointing out to the House what is the actual purpose and effect of the Measure which is now proceeding to a Third Reading. I cannot really find better words in which to do it than those used by the right hon. Gentleman the Member for Wakefield (Mr. Greenwood) himself on the Second Reading of the Bill. Referring to the principal Clause, the Clause relating to the increase of new money, he said:

> "The £350,000 is almost exactly what the formula invented by the right hon. Gentleman the present Chancellor of the Exchequer required."

As a matter of fact, it is £2,000 more. In other words, we are doing the sensible thing—we are carrying out the line of action which we laid down at that time, and which was laid down for the purpose of providing certainty and security for local authorities in their difficulties. We are fulfilling the guarantee which we gave. The right hon. Gentleman proceeded to complete a perfectly satisfactory account of the situation by the following words:

> "It is difficult in these times to increase that minimum amount."—[OFFICIAL REPORT, 7th March, 1933; col. 1083, Vol. 275.]

It is, indeed, difficult. It is difficult in these times, when, as we know, the resources of the nation have so many calls upon them, to increase that amount beyond what is necessary and essential for the local authorities to carry out the services with which they are charged.

There are two words which I would say in reference to what the right hon. Gentleman said, and I say them just in order that it may not be supposed that by silence the authority responsible gives assent. He repeated the statement that a great city in this country was bankrupt. I know of no fact and no circumstance which would justify that statement, and I desire that, when any such statement is made in this House, it should be accompanied by as emphatic an official contradiction as can be given. The hon. Member who spoke first used words belittling the effect of the Measure which we are now passing in regard to its assistance to the distressed areas. There, again, the words used by the hon. Member do not give a full and fair account of the position. It is right that the House should be in possession of what that position is before it passes the Bill. Under it we are distributing not £350,000 but £15,000,000 in such a manner as to give a preference to distressed areas. The direct effect of the wording of the formula that we are now enforcing is that, whereas in the first grant period the unemployment factor attracted £1,250,000, in the second grant period it will attract a much larger sum for the benefit of the distressed areas. The additional sum of £350,000 which we are now voting in order to fulfil our guarantee to the local authorities and to keep the spirit and the letter of the pledge given to them will also be distributed in a manner which I have demonstrated on two previous occasions will give a preference to the distressed areas.

Finally, objection was taken to the Bill as not revealing the Government's programme in regard to larger matters. Of course, it does not do so. It is not an innovating Bill. It is a Bill to carry on certain arrangements in the interests of the local authorities themselves. That we have succeeded in doing, and it is really a feather in the cap of the Government to have succeeded in these arrangements in spite of the great difficulties of the times. On two previous occasions we have had a very full opportunity of discussing the Bill and I trust, now that there is substantial agreement that it is necessary, the House will now give it a Third Reading.

Question put, and agreed to.

Bill read the Third time, and passed.

The remaining Orders were read, and postponed.

ADJOURNMENT.

Resolved, "That this House do now adjourn."—[*Captain Margesson.*]

Adjourned accordingly at Twelve Minutes before Eleven o'Clock.

HOUSE OF COMMONS.

Friday, 17*th March*, 1933.

The House met at Eleven of the Clock, Mr. SPEAKER *in the Chair.*

WRITTEN ANSWER.

SUBSIDISED HOUSES (TENANTS).

Mr. L. SMITH asked the Minister of Health if he has tendered any advice to municipalities to raise the rents of municipal subsidised houses to the full economic level when the circumstances of the tenants permit; and whether he has received any information as to the extent to which this policy is being carried out?

Sir H. YOUNG: I would refer my hon. Friend to the replies given to similar questions put by the hon. Members for East Dorset (Mr. Hall-Caine) and Oldham (Mr. Kerr) on the 9th instant and 17th November last respectively, copies of which I am sending to him, together with the extract, referred to in the former reply.

ORDERS OF THE DAY.

SHOPS ACTS (1912 to 1928) AMENDMENT BILL.

Order for Second Reading read.

11.6 a.m.

Mr. MORGAN JONES: I beg to move, "That the Bill be now read a Second time."

Perhaps it will be convenient for the House if I recall, briefly, the history of the movement which culminates, as I believe, in the introduction of this Bill this morning. It is 60 years ago exactly, namely, in 1873, that the first Bill relating to hours and conditions of shop assistants was introduced into this House, and those who are interested in social legislation will recall that that Bill was associated with a gentleman who was very distinguished in our public life, namely, Sir John Lubbock, afterwards Lord Avebury, who was himself associated in that movement with equally distinguished men, Mr. John Morley, and Mr. A. J. Mundella. That Bill applied only to women, young persons, and children employed in shops. It proposed to apply to them the provisions of the Workshops Act relating to hours and conditions of employment and, secondly, that these persons should not work on Christmas Day or Good Friday, and that they should be allowed holidays for four whole days or eight half-days in the year. That was exactly 60 years ago.

Another attempt was made by Sir John Lubbock in 1884-5, and on that occasion he was assisted by another distinguished Parliamentarian, Lord Randolph Churchill, and by others. That particular proposal was to apply the provisions of the Factory Acts to shops. In 1886 the Shops Regulation Act was carried, and this is rather important, because that Act limited the hours of young persons employed in shops to 74, inclusive of meal-times. It is important to dwell for a moment upon that, because it has a great bearing upon our subject to-day, and may I recall to the House, therefore, that on page 5 of the Report of the Select Committee which reported in 1931 on this matter there appears this paragraph upon the point:

> "This is still the only statutory limitation of the working hours of any class of shop assistant, as distinct from the hours of opening of the shops, if we except provisions as to half-holidays and meal-times, and the special limitation of hours in licensed premises and the Shops Act, 1913."

That is to say, there has been no sort of legislation carried in this House dealing with the limitation of the hours of shop assistants since the Act which limited the employment of young persons to 74 hours per week, inclusive of meal-times. I need not emphasise to the House that a provision of that sort must clearly merit our condemnation, and it is partly on that account that I have the temerity, if indeed it be temerity, to introduce this Bill to-day.

To continue my brief historical sketch, no fewer than 22 private Bills were introduced to deal with shop assistants' hours in the last decade of the last century, not one of which went a single step further. Our next important date is the year 1911, when the Shop Hours Act was passed, but that Act was not substantially different in terms from the previous legislation. That Measure proposed a statutory half-holiday for shop assistants and also the limitation of hours, but owing to the exigencies of Parliamentary time and conditions, the limitation of hours section of the Bill was abandoned, and the only part of any import carried was the compulsory half-holiday. There is no other legislation to which I need refer except to a short Bill dealing with the limitation of the hours of assistants employed in places of refreshment, whether licensed premises or not, and their hours were limited in 1913 to 65 hours per week, exclusive of meal-times.

We now come to the post-War times. Since the War, as the House knows, repeated attempts have been made to deal with this matter by almost innumerable Members of Parliament, but not one of those efforts has been brought to fruition, until my hon. Friend the Member for Normanton, I think it was, introduced a Bill in the year 1930. On the 31st March, 1930, the House, without a Division, gave a Second Reading to a Bill which proposed to limit shop assistants' hours to not more than 48, that is to say, the same as are proposed in this Bill to-day, with certain exceptions, and the Government of the day decided to refer the issue raised by the Bill to a Select Committee of the House. That Select Committee was set up on the 19th November, 1930,

[Mr. Jones.]

and consisted of 11 Members of the House, five Members of the Committee being members of the Conservative party, five of them members of the Labour party, and the remaining Member being a representative of the Liberal party. That is to say, the Select Committee was set up in such a way as to be thoroughly representative, not only of the respective strength of the parties of those days, but also of the diversities of opinion which were presented in the House during the last Parliament. The terms of reference to the Select Committee are well known to everybody, but perhaps I may recall what they were to the House. They were to inquire:

> "(1) What are the hours at present usually worked in the various distributive trades, both retail and wholesale;
>
> (2) what would be the probable economic effects of a statutory 48-hours week (with a limited amount of overtime) upon the distributive trades as regards organisation of work, wages, employment, and prices; by what methods it could be applied to various kinds of trade; and what arrangements would be feasible for enforcing it;
>
> (3) whether conditions of employment exist in any classes or descriptions of shops in respect of matters affecting the health and welfare of the assistants which make it desirable that powers of regulation and supervision should be given by statute."

The Select Committee went very carefully into the questions raised by their terms of reference and presented their final recommendations to Parliament on the 18th September, 1931. It is important to add that they examined no fewer than 89 witnesses in person and heard and considered the point of view of every trade as expressed by the representatives of the employers' organisations and trade unions concerned. Further, individual shop assistants were examined, as well as persons having special knowledge of administration and juvenile welfare. The inquiries of the Select Committee were supplemented by a joint investigation by the Home Office and Ministry of Labour during the summer of 1930 and the report of the Departmental investigation was printed as an appendix to the Select Committee's Report. With the information before them, the Committee were able to reach certain unanimous recommendations, many of which are embodied in the terms of this Bill, but before I pass to a brief explanation of the Bill, I would like to remind the House of the facts that were brought to light by the inquiry.

If I dwell for a moment on this point I hope that the House will extend to me their indulgence, because it is important that we should have clearly in our minds what precisely is the problem with which we are called upon to deal. There is a good deal of innocent misrepresentation of the position, arising, I have no doubt, from genuine misunderstanding, and I should like to put to the House some of the facts that I have culled, not from my experience, but from the results of the inquiry of the Select Committee. What are the conditions which apply in some trades? Let me read some of the hours of work which I take at random from the report of the Committee. Bakers and pastrycook assistants work from 40½ hours to 75 hours per week; boot and shoe shop assistants 44½ to 56½; butchers 41 to 66½; confectioners and sweetshop assistants 42 to 80; dairy assistants 45 to 70. I could go through a whole gamut of trades and produce instances not dissimilar to these. I ought in fairness to add that in the wholesale trades the Committee found that the hours were, generally speaking, much shorter than in the retail trades and that apart from busy seasonal periods the hours of work varied from 39 to 52 hours per week.

I shall surely carry the House with me when I say that these figures disclose human tragedies. These shop assistants are very often people of tender years, and they have to work from 40 to 60 and 70 and even 80 hours a week. Many of them are children, and surely I do not require to argue that youngsters of that age cannot but have their health undermined by these grotesque conditions. If I may use an aphorism it is well within our knowledge and experience—it is cheaper in the long run to preserve health than to cure disease. The conditions of these young people working these long, almost interminable hours must surely make a call upon the sympathy of all Members of the House who have the well-being of those who serve them near their hearts. Apart from the undermining of the health and the deprivation of facilities for physical recreation, the deprivation of cultural facilities is also involved. I do not speak here with first-hand knowledge but from evidence given to me by a friend, who would not have given it except on the closest inquiry. He tells me that in Glasgow the local education authority recently abandoned technical classes for the grocery trade, because the numbers had been reduced to seven. That is obvious evidence that there is a failure on the part of the young people for whom these classes were designed to attend for one reason or another, and one reason must be the long hours which preclude their availing themselves of these educational facilities. I am told that for the present winter session the London County Council recorded a drop of 11,000 in the number of students enrolled for evening classes. I do not argue that that drop is entirely due to long hours. It is probably due in part to increased fees, but possibly one of the reasons is the long hours worked by the young people.

I want to turn to a subject on which I am sure all Members will be at one with me—the subject of juvenile employés. I have referred to the large number of juveniles employed in shops, and I would commend to the consideration of the House the evidence as to the unsatisfactory state of the law submitted to the Select Committee by the spokesman of the Asociation of Juvenile Employment and Welfare Officers who spoke with authority on this matter. He said:

> " We have all been conscious, as we are now, of a feeling of helplessness when we have come across instances in which employers, without being guilty of the infringement of any Act of Parliament, have allowed young people in their employ to work from an early hour in the morning until a late hour at night week in and week out, without regular or sufficient time for meals, and under conditions of strain and stress that the average working man of today would not tolerate for one moment for himself. It is not generally realised that there are many boys, not long out of school, whose working week is nearly twice as long in actual hours as, for example, the normal week of the joiner and his fellow workers in the building industry. Some employers agree that the customary hours of van delivery boys and errand boys are too long, yet none feels accountable. 'They did not create the abuse, they cannot alter it,' seems to be their view."

I hope that the House will forgive me if I recall to its attention pages 40 and 41 of the Select Committee's Report and to give three instances recorded by the Committee from evidence adduced before them.

> " A girl of 14 years of age, employed in Blackpool as a waitress and kitchen-maid at 15s. a week. Her hours were from 9 a.m. to 10 p.m. with one hour for dinner, a half-hour for tea, and a half-day on Wednesday. She was not employed on Sunday. The total number of hours she worked weekly was thus 69, inclusive of meal time."

> " Nine boys employed in a butcher's shop in Ashington, where the hours of work were 74, including meal hours, and where the proprietor stated that clearing and cleaning generally kept the staff employed half-an-hour after closing times on ordinary days and longer on certain days."

> " A van-boy of 14 years of age, employed by a wholesale hardware merchant. His hours were 8 a.m. to 8 p.m. on five days, and 8 a.m. to 1 p.m. on one day. His parents took him away as a result of a trip to Yorkshire, when he was on the van—"

I invite the House particularly to this—

> " from 8 a.m. on one day to 11 a.m. on the next. The boy slept on the van, and the driver purchased meals."

Surely instances like these cry aloud to us to do something to mitigate the injustices and the hardships which these young children have to undergo.

The second principle which the Select Committee was called upon to discuss was the probable economic effect of a statutory 48-hour week on the organisation of work, wages, employment, and prices and the method of limitation of hours by the enforcement of the law. I need not cover this whole field except to say that any Member can find on the briefest reference to the Committee's findings that their conclusion is that wages and employment would not be materially affected by the compulsory limitation of hours. The total amount of distributive trade to be done would remain approximately the same; whilst an increase of staff would probably take place in shops which are now understaffed and where long hours and systematic overtime obtain, there is no ground for believing that the volume of employment would be substantially diminished or that wages would be decreased. I do not wish to trouble the House with extracts from communications I have had from individual correspondents both in London and in the country detailing to me the conditions under which they are called upon to work in shops associated with various trades. Perhaps the House will take it from me that these letters disclose a situation of which none of us, I think, could feel in any way proud.

Let us recall once again that no legislation has been passed by this House for 60 years dealing with the limitation of

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the hours of shop assistants. The Shop Hours Act dealt with the closing of shops, but after the blinds come down in the shop the work goes on, and often the spirit of the law is defeated though the letter is observed. There is one other observation to make before I explain the details of the Bill. I want hon. Members to appreciate the area of employment with which we are called upon to deal. There are more women and juveniles employed in connection with distribution than in any other single occupation. One out of every three boys and two out of every five girls who entered insured employment go into the distributive trades, and in July, 1932 no fewer than 143,000 boys and 111,000 girls between 16 and 18 years of age were employed in distribution. The total number of insured workers in the distributive trades in July, 1932 was 1,950,000, of whom 748,000 were women. In the last 11 years the number of persons employed in distribution has been doubled, the number of insured workers in 1921 being only 967,000 compared with 1,950,000 to-day.

Incidentally, I may perhaps be permitted to observe that this is an interesting commentary on an economic system which has resulted in the uneconomic diversion of the labour of an additional 1,000,000 workers to the task of trying to get rid of the goods which people would readily purchase if they had the necessary spending power. Owing to the fact that comparatively few women and children are organised, they are at present, with the two exceptions I have mentioned, entirely unprotected in the matter of working hours. In this respect they are in a much worse position than women and young persons employed in those industries covered by trade boards, where a limitation of working hours is laid down. It surely cannot be the desire of this House that shop assistants, who minister so devotedly to the needs of everyone, should be under adverse conditions by comparison with other workers.

Having devoted some time to these observations on the general principles of my Bill, I will now as quickly as possible summarise the Clauses. Clause 1 lays down the general principle of a 48-hour working week. It provides, in accordance with the unanimous recommendation of the Select Committee—I hope the House will note that point—that no young person may work more than 48 hours at any time, but shop assistants over the age of 18 may work for more than 48 hours a week if a local board, composed of employers and employed, as provided for in Clause 2, has agreed to overtime employment and a local order is in force. Overtime employment must be paid for at overtime rates as specified in Clause 7.

The UNDER-SECRETARY of STATE for the HOME DEPARTMENT (Mr. Douglas Hacking): The hon. Member has not made the position quite clear. He started by saying that this was a unanimous report of the Select Committee. The whole of it was not unanimous, part of it is only the majority report.

Mr. JONES: Yes, that is quite right. The idea of having overtime pay is to discourage as far as possible the habit of keeping assistants employed for an undue length of time in shops, and in that way, by the use of the service of assistants free of charge, providing the employer with an unfair advantage as compared with other employers who get no such assistance. Clause 2 establishes the local boards, which were unanimously recommended by the Select Committee in paragraph 292 of the Report. This form of machinery was recommended in order that progress can be made by agreement and to remedy defects due to lack of organisation. These local boards are to be the machinery through which the varying conditions in different areas and trades are to be met and seasonal overtime provided for. It is assumed that if local or trade exigencies are such that longer hours than 48 are reasonable and necessary the local boards, representative as they are of both sides, will act accordingly. There are Sub-sections to this Clause defining the constitution and the duties of the board.

Clause 3 enables local authorities to combine for administrative purposes in carrying out their duties under the Shop Act. The point of that is that you often have contiguous areas where one condition of affairs is in being under one Order and a different condition of affairs in operation under another Order, and so we give power for such adjacent local authorities to arrive at a mutual decision to apply the same rules throughout both areas. The Clause provides that the Secretary of State may revoke or amend local Orders on the application of a local authority. If experience showed that the working of a local Order had been unsatisfactory it would be amended in that way. Clause 5—Sub-sections (1) and 2—is in accordance with the recommendations of the Select Committee on page 74 of their report, and requires the Secretary of State to set up a National Shops Board within one year of the passing of the Act, consisting of an equal number of shop assistants and employers with a neutral chairman appointed by the Secretary of State. The subsequent Subsections deal with the powers and duties of the National Board.

Clause 6 gives the Secretary of State power to fix the hours of overtime employment which are to be permitted in local areas where there is substantial disagreement on the local board. The Secretary of State will, however, only act after the matter has been discussed by the National Board, the local authority and the local board concerned. It is necessary, before the Secretary of State can make an order under this Clause, for the National Board to have submitted a recommendation as to the terms of any proposed order to be made under this Clause. Clause 7 deals with the provision for the payment of wages at the higher rate for overtime. Clause 8 is in accordance with the unanimous Recommendation, again, of the Select Committee, and is one of the most important Clauses of the Bill. It is necessary for facilitating the application of a 48-hour week in certain trades.

The primary reason for the proposed change is the necessity of safeguarding existing voluntary closing arrangements for shops closing at six or six-thirty. At present no compulsory closing order can be made for an earlier hour than seven o'clock, and consequently no legal compulsion can now be used to enforce a voluntary closing arrangement. One or two obstreperous traders can and do break down a general agreement by keeping open longer than their competitors. To operate a compulsory 48-hour week, it would be an advantage if earlier closing could be compulsorily enforced, and Clause 8 is intended to meet that situation. Clause 9 sets up the penalties for infringement in various directions. Clause 10 does what I think is long overdue; it provides a definition of the term "shop-assistant" and a definition of the term "shop."

Mr. HACKING: There has been one.

Mr. JONES: Well, it requires alteration in many respects. Nothing is so good that it is not capable of a little improvement. Clause 11 attempts to give effect, within the limits of a private Member's Bill, to the following recommendation of the Select Committee on page 59 of their Report, paragraph 240:

> "Your Committee have been impressed with the fact that there is no statutory power lying in any Government Department to supervise the administration by local authorities of the Shops Acts, and are strongly of the opinion that the Secretary of State for Home Affairs and the Secretary of State for Scotland should be specifically entrusted, by statute, with the general supervision of all the provisions of shops legislation."

Clause 11 is devised to deal with that situation. Clauses 12 and 13 are just the ordinary Clauses of the kind that are to be found at the end of any Bill.

I am afraid that I have explained the Bill rather hurriedly, and perhaps I have made too severe a demand upon the patience of the House in dealing with its proposals. I have tried to present the general ground upon which the Bill is brought forward by my hon. Friend and myself. The Bill will undoubtedly be capable of a good deal of improvement, but we have tried to embody in its Clauses what we felt ought to be attained. We do not claim that every Clause shall remain inviolate, and we do not regard every comma and every sentence as sacrosanct. We merely invite the operation of the common will and purpose of this House in removing a wrong done to men, women and children who serve us in our daily needs with fortitude and devotion. We invite the House therefore to carry a step further this movement, which, as is well known to those who have studied this kind of legislation and its history, has had associated with it distinguished Members of all parties. I might refer to Sir John Lubbock, Mr. John Morley and Lord Randolph Churchill. Then there were the members of the Liberal Government from 1908 to 1913 and 1914 who introduced a Bill later known as the Shops Act. Many of my hon. Friends have made attempts since 1918. Thus individual Members of all parties have been asso-

[Mr. Jones.]

ciated in one way or another with attempts, to remedy the state of the law in regard to the employment of shop assistants.

I shall be more than pleased if this Bill is accorded a Second Reading to-day. Its fundamental principle is one about which I do not feel disposed to make a concession, namely, the question of a 48-hour week. Every hour we win for these people is in fact an hour redeemed for freedom. It is an hour dedicated to the rejuvenation of their bodies. It is an hour that can be consecrated to the replenishment of their minds. It is an hour, in my judgment, which, properly used, could be directed to such a degree as to lead to the fortifying of the fabric of society to which we all belong. It is in the confident belief that this Bill is a small contribution in that direction that I invite the House to give it a Second Reading.

11.42 a.m.

Mr. MITCHESON: I beg to move, to leave out from the word " That " to the end of the Question, and to add instead thereof the words:

" this House, whilst recognising the undesirability of shop assistants working excessive hours, declines to give a Second Reading to a Bill which would not only involve local authorities in increased expenditure in securing its enforcement, but would also add to the existing burdens on industry by hampering business and increasing the cost of distribution, and would be bound to lead either to an increase in retail prices or to a reduction in the wages of shop assistants."

I wish to pay a tribute to the obvious sincerity of the hon. Member for Caerphilly (Mr. Morgan Jones) in his able introduction of the Bill. I am sure that the utmost sympathy and consideration would be given by every hon. Member to the question of juvenile employés, but they are not the subject of this Bill. They are the object of negotiations which are now continuing with the Home Secretary, and which will no doubt be the subject of a further discussion. I am opposing this Bill in no spirit of party, or of antagonism to those who are supporting it. I am just as keen and as sincere in my desire to help those for whose benefit this Bill is intended, as are the hon. Gentleman and his supporters. It is only because, from actual and practical experience, I know that this Bill would defeat its own ends, and would jeopardise, instead of helping, the interests of the shop assistants of the country, that I offer my most strenuous opposition to its Second Reading. I would say here, whilst fully recognising the desires of those who are supporting the Bill, that there is no mandate from the vast majority of the shop assistants of the country for this interference with their occupational conditions. I estimate—and my hon. Friend's figures agree with mine—that there are no fewer than 2,000,000 people engaged in retail distribution in this country. On the average these are of a high standard of education and business ability; they are a body well able to look after their own interests and to overcome any serious or widespread grievance. Yet I am not able to trace more than, at the outside, 200,000 of those 2,000,000 as members of any union or any protective society. It does indeed occur to me that we have in this House quite sufficient on our hands if we will concentrate on the real and crying needs of the community, without taking up our time in seeking to interfere in a direction from which there has been no real call.

As to the effect of this Bill, were it to become law, I will, for the purpose of my argument, divide shopkeepers into two classes. In the first place, I will deal with the large stores and multiple shops such as Harrod's, Barker's, Selfridge's, Woolworth's, and so on; and, secondly, I will deal with the small individual shopkeepers, who represent, of course, an enormous majority of the trade. As to the big stores—and be it remembered that each of these big stores was originally founded by a shop assistant—what can be the effect on them of this Bill? These firms are invariably controlled by boards of directors, who are themselves the servants of their shareholders on the one hand and of their customers, to whom they must render service, on the other. They are bound by their duty to their shareholders and their customers respectively. The directors and their counter sales assistants are separated by managers, departmental managers, buyers, floor managers, and so on. Therefore, while I contend that the standard of employment conditions today is a very high one, and fulfils most of the requirements of this Bill, only hard, practical facts, without personal considerations, can enter into the discussions of a board of directors. They must look at this Bill purely and simply from the point of view of cost.

Apart from the estimate of the cost of overtime as provided by the Bill, there must be a number of inspectors, variously estimated at from 10,000 to as many as 0,000. They must be appointed, together with local busybody boards, because the busy trader and the ambitious shop assistant will not have the time to devote to these local boards. Then there is to be a National Advisory Board, and I suppose that, if some hon. Members had their wish, there would be an International Appeal Board beyond that. All of these will involve offices, printing, stationery and travelling expenses, which must be a very considerable and substantial item.

The percentage of nett profit on turnover in a business of this kind is, and always must be, an exceedingly narrow one, and every additional expenditure has to be found from somewhere. The directors, therefore, will have to estimate the cost to them of this interference, with the additional clerical staff required, the payment for every minute of overtime, additional taxation, local rates, and so on, and in that estimate they must, naturally, safeguard themselves in every way. The question must then arise, where will the money come from? They cannot buy their goods more cheaply, or they would have done so. They cannot get more from their customers, or they would have done so. They cannot get relief from their rent, rates and taxes. The only possible source of replenishment, therefore, is either by a reduction of staff—thereby increasing the work, the responsibility and the pressure on those remaining, as well as adding to our unemployment figures at an increased cost to the nation—or by a reduction of the salaries and commissions of all those shop assistants whom my hon. Friend is out to help. Is this the way in which hon. Members would endeavour to serve the interests of those whose cause they are claiming to plead? It is no good suggesting that the directors have any other way out; they have not. They themselves are only servants, and have their duties to perform. It is no good saying that they could not either reduce the remuneration or reduce the number of their staffs; they could. There are, unfortunately, to-day plenty of good, sound, capable people who would be only too glad to fill any vacancy.

Now as to the small shopkeeper—the chemist, the grocer, the butcher, the greengrocer, etc.—with whom the position is very much more grave than it is even with the large stores. In his case there is a much greater intimacy, a much closer friendship, between the employer and the employé than is possible in the larger stores, for they are almost invariably working side by side. In many cases they are actually relatives—sons, daughters, brothers, nephews and so on. In the case of the small businesses there is a much narrower distinction between employer and employed. It is "The Boss," and "Jack," and "Bill," and "Mary." They are more closely and generally engaged in all the intimacies and details of their business. Each takes the responsibility of his master, pulling his weight generally in whatever work there is to do. He must be thoroughly trustworthy, and can only do his work under conditions of harmony and contentment, because there is little, and that irregular, supervision. The weighing of goods, the measurement of materials, punctuality and courtesy in the service of customers, direct dealing with the cash—this work could not be done by discontented servants; and one of the first objects of a successful business man is to be assured of a willing and harmonious staff, such as can only be obtained by the employer seeing to it that every consideration and good treatment is given.

How can this Bill possibly help here? Think of the irritation to the employer in keeping extra books and details, to be done often by himself, or perhaps by one clerk, almost in the form of police records of his employés. Think of the notices "conspicuously displayed". The Bill says "conspicuously displayed", and it wants them "conspicuously displayed", for employer, employed and customers alike to see and to be unable to avoid seeing them. Every minute he is on the premises, morning, noon and night, the notice is to be "conspicuously displayed". Jack and Bill and all that that conveys must disappear. It will be Mr. John Brown and Mr. William Jones, telling everyone that in this penitentiary he shall only work so many hours and his services shall

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be measured, not by the success of his work, not by his degree of intelligence, not by his good will and everything that pertains to good service to employer and employed alike, but by the number of hours that he has stood in the shop looking at the notice in a conspicuous position, quite irrespective of what he has done in the time other than watch the notice. Never mind annoying a customer by refusing to give a few extra minutes. That now becomes the governor's responsibility. No thought of the fact that, if the governor loses his customers, he will not be able to employ the staff, nor even to pay the rent of his premises. No thought that it is only the most obliging firm that will succeed in business. No thought of promotion, financial and otherwise, as the business progresses. No thought of the service that the wise employer would like to give. No thought of anything that in many ways can be and is rewarded by the employer, but only a notice in a conspicuous position.

The law is to come between them. Henceforth, if this Bill passes, friendly and mutual progress and helpfulness must be replaced by a continuous concentration on legal rights, legal obligations, fines and penalties. Imagine a grocer's shop on a busy Friday morning when Mrs. Jones and Mrs. Robinson are coming for their groceries, and the assistants are busy and the governor is busy. Suddenly "Halt. Stand aside." The shops inspector approaches. "Cease delivering the goods. Stand to attention." Where is the notice in a conspicuous position? The inspector has to go up to that conspicuous position. The conspicuous inspector has to see that the instructions are there, and that the marriage certificates and all the other details of each assistant are there. I will tell you another thing he has to do. He has to catch that assistant. The assistant does not want his freedom. He wants progress and promotion. The inspector is not going to be a friend to that shop assistant. He is going to be an enemy and a spy. Be it remembered that from 48 to 50 hours a week—the hon. Member gave the minimum and the maximum possible—is a common practice throughout the land, so that even in this direction the Bill would serve no real purpose against the enormous harm that it must do to all parties.

May I give an instance of my own actual case. I have not exactly a shop, but I have a business and an office with a staff of employés with whom, in order to achieve success, intimate relationship must exist, for neither office staff nor shop assistants are mere machines that can be turned on or off at will either with an inspector or a conspicuous notice. Our employment is based on mutual respect and regard the one for the other. We have arrangements whereby one-half of the staff is free every Saturday, the other half gladly taking on the additional work that is entailed. Provided that work is not seriously interfered with, an hour away a day is merely a matter of the asking. This privilege has never been refused, and it has never been abused. Tea is provided in the afternoon, not as part of our agreement but as a gesture of good will, which is appreciated. On the other hand, if there is work to do—I should not ask, quite possibly I would not even know it, but the staff would be there doing it irrespective of hours and without instructions, just because we are all part and parcel of a happy, harmonious and normally successful organisation. Any staff suggestion is given every consideration. In good years bonuses are given to every employé. We have had bad periods and, in fact, owing to unfortunate happenings at about the time of the last Socialist Government my business was practically closed down, from the middle of 1930 to the middle of 1932. I knew it had to be. I could have dismissed the whole of my staff, but I did not. They have been with me all the time. I found the monies for rent, rates, taxes, and salaries for a period of two years with no hope of a return until conditions improved. I still have my staff, their loyalty, their enthusiasm, their interest and their intelligent application. Their training and knowledge of my business has made them valuable. Other people might possibly think it was worth trying to entice them away, but I will bank on the loyalty of every one of them. They know that they will join with me in any further success that I may have.

The importance of this is not the history of my affairs, but the fact that my business is only one single instance of similar conditions in many thousands of businesses in the distributing and similar trades throughout the country. Help everybody in every way you can provided that by trying to help him you are not causing greater harm in other directions. We have approximately 3,000,000 unemployed in this country. I would do everything, and I am doing everything in my power, as I know every hon. Member in this House is doing, in seeking a means of reducing that number, and, in the meantime, in alleviating their distress.

Let me, however, remind the House of one point which is forgotten, or very much overlooked, that for the 3,000,000 unemployed workmen we have 300,000 practically unemployed, broken-spirited and broken-hearted employers, the majority of whom have lifted themselves from the position of workman to employer, who have their money sunk in factories and business premises, and who are at their wits end to find customers for the goods which they manufacture or sell. Every ounce of their energy and ability is concentrated on trying to find a way out, which, if successful, must, logically, increase employment. The more goods the distributor can distribute the more people will be engaged both in manufacture and in distribution. This unemployed employer is without even the pittance offered to the unemployed workman. He is offered no sympathy, no help and no encouragement, and almost every phase of legislation, as in this Bill, would seek to add further to his burdens. If we want to solve our unemployment question, this is the man who, not for his own sake, but for the sake of the nation, should be helped and encouraged in every way. Why hate him? We are all born the same way. We shall all die the same way and we shall all be worth the same price per ton when we are dead. A man can only wear one suit at a time. He can only sleep in one bed at a time. He can only have one meal at a time. There is a great deal of truth in a notice in a north country factory addressed to the men in a conspicuous position:

"Work eight hours a day conscientiously and do not worry, and one day perhaps you will become an employer. Then you will work 16 hours a day and have all the worry.

The only difference between the employer and the employé is that the employer is blessed or cursed with some little restive mentality which will not allow him to be content with a steady regular wage job. He must advance, must organise, must develop, must control, must spread, must sell, and we must encourage that man, for without him the other man would not be able to get any employment at all. The queen bee is a great employer of labour. Under her command and control the bees give us a very valuable article of food in the form of honey, provided, and always provided, that the bees are left alone. If you upset the hive, or if the bees are irritated and annoyed, they will not give you any honey. This Bill is just one of irritation, serving no good purpose whatever. On the other hand, it is bound to have a serious moral effect, and would prove a barrier, dividing and breaking the contact of everything that is good in the mutual interests of employer and employed alike. This continuous and unmerited appeal for justice is misleading. Justice is a cold thing. It is a last resort. What we should work for, every one of us, apart from party and apart from creed, is a greater consideration, the one for the other, employer or employed.

12.12 p.m.

Mr. REMER: I beg to second the Amendment.

In doing so, I should like to say that I was considerably surprised that the hon. Gentleman the Member for Caerphilly (Mr. Morgan Jones) had put this particular Bill upon the Order Paper. For the last 14 years during which I have been in this House it has been the invariable practice of the Socialist party, whenever they obtained a first chance in the ballot, to put down on the Order Paper a Bill dealing with the ratification of the Washington Hours Convention which, as the House well knows, is to provide for all industries—not as is done in this Bill merely for one industry—a 48-hour week or an eight-hour day. I hope that the House will note the change which has come about to-day, particularly on the part of an hon. Gentleman who sits on the Front Opposition Bench, that after 14 years of wild dreams they have come back to realities and have realised that the theories which they have held in

[Mr. Remer.]

the past about the Washington Hours Convention have certain international and national difficulties and have now selected one industry—the distributive trades—for a trial. I can only assume that this is part of the policy which was recommended some years ago by the noble Lord who used to be known in this House as Mr. Sidney Webb—the inevitability of gradualness.

I think that I shall be able to show later that in choosing this industry they will find even greater difficulties of application. I would ask the hon. Member, or whoever is to reply on behalf of their party, why they have chosen this particular industry, and where is there any evidence of any demand for this type of legislation? For over 30 years there has been complete harmony and peace among the employers and employed in the distributive trades. The only exception to that is the case of the co-operative societies who are engaged, and have been engaged from time to time, in various disputes with their employés.

There is a very good reason, which has been very well put by my hon. Friend who moved this Amendment, why it is good business for business men to be on terms of happiness and contentment with their employés. Happiness and contentment mean team work, and team work means success. I think that this applies more to the distributive trades than it applies to any others, for the very good reason that the shop assistant has to serve the customers personally, and it implies personal attention for which he gives value. I have no experience whatever of a shopkeeper's life, nor can I claim any very great knowledge of shopping, because I frankly admit that on every possible occasion I avoid shopping, and leave it to other people to do it for me. But there are two commodities which I have to buy myself. One is shoes and the other is hats. As far as shoes are concerned, I must be the most tantalising customer, because I can never remember the size of the shoes I wear, and, as far as hats are concerned, nobody knows better than you, Sir, that the size of a politician's head varies on many occasions according to the success or otherwise which he attains in this House.

I have mentioned that there should be the closest harmony between the shopkeepers and their assistants, and I venture to say that there is no industry in the whole country where there is greater harmony than exists in the distributive trades. I am going, first of all, to refer to the evidence which was given before the Select Committee to which the hon. Member in moving the Second Reading referred, and I should like particularly to call attention to the evidence given by the National Chamber of Trade. I am not going to refer to their evidence-in-chief, but I am going to refer particularly to the cross-examination of the two witnesses, Mr. Walter Clark and my very great friend Mr. Patrick Howling. These two gentlemen were cross-examined by three Members of the late Parliament, Mr. Taylor, the late Member for Lincoln, Mr. Oliver and Mr. Charles Roden Buxton. If there is anything more than another that struck me, it was the answer which Mr. Clark gave to Mr. Taylor. It is on page 9 of the Minutes of Evidence. It is evidence of the harmony which exists between the shopkeeper and the shop assistant. He said:

> "I will give you an example: I was with a friend of mine who is a very large employer of 700 or 800 assistants the other day, and I walked through his establishment. Every employee, humble or in a prominent position, spoke to him quite frankly and freely without any fear or hesitation. He answered at once. He addressed many of them by their first name, 'John' or 'Mary' or whatever it was. We work together. There is a friendly give and take. It is not a rigid, inelastic operation. What we fear here is that if there is going to be so much work for so much pay and so much pay for so much work, it will be very closely defined on both sides."

I think that that does really give a very striking example of the relations between the shopkeeper and his assistant. There is the added point, which was very clearly brought out in the evidence before the Select Committee, namely, the position of the small trader who serves at the counter by himself or with one assistant or several assistants. There is the position of the country towns where people come in on market days. There is a rush of work for a very few hours when the shopping is done in one day. Mr. Hirst, in his cross-examination, was at very great pains to show that the co-operative societies and the multiple shops, generally speaking, work less than the 48-hour week. He did not deal with the very important point that these co-operative societies and the big multiple shops are able to work a shift system, which is utterly impossible for a small trader to organise. This is, I believe, a very important point because in cross-examination—it is on page 13—Mr. Clark said:

> "May I suggest that there is a great difference between one trade and another? Take a small town like the one from which I come, Halifax. We have food traders in a very small way of business, and yet they are food traders and do answer a very real need. We have men who work very awkward hours and women who work very awkward hours for purchasing the necessities of life, and people who live under conditions where they cannot keep food for any length of time. There are very small shops employing no assistants in some cases, or only one or two in others, and they find it absolutely necessary to keep open to the very last moment allowed by the Shops Acts."

In further cross examination it was tried to pin Mr. Clark down that the co-operative societies could deal with all this trade, and on the next page Mr. Clark replied:

> "The co-operative society in our neighbourhood do not cater for that class of business. They cater for a very much higher class of business. More motor cars go to our co-operative society than to any other business in the neighbourhood."

Mr. MORGAN JONES: I think the hon. Member is not quite doing justice to the body of evidence to which he refers. May I call his attention to questions 72 and 73 in regard to co-operative organisation?

> "I am not in the inside of the co-operative movement, and therefore I cannot speak for them. I can only say we are convinced there will be certain difficulties in the food trades in this country if you bring them within the legalised regulation of a 48-hour week. If I were to tell you that in the co-operative trade generally they do not find such difficulties existing, would you accept that as being a fair statement?—Certainly, I should accept anything you say."

Mr. REMER: It is rather difficult to go over the whole of this evidence, but I think you will find it quite clear from Mr. Clark's evidence that he said the co-operative societies, and the multiple shops, could not cater for the tram-driver coming off duty just on time, and the type of workman who could not store food—for that type of workman could not obtain the goods he wanted by any other means than by the use of these small traders. This Bill would be absolutely crippling to that class of traders. I do not think the hon. Member has seriously taken into consideration the question, which must arise under this Bill, with regard to the rush which takes place every Christmas. At the present moment there is give and take between the shopkeeper and his employés, who, in return for the heavy rush for a fortnight or three weeks before Christmas, are allowed several days off as compensation for the hard work they put in during that time.

I am more concerned with the observation of the hon. Member when he quoted the hours which are worked by some people. He was careful to say "up to 70," and "up to 80 hours," but he did not make any reference to the regular practice. I venture to say that the number of these examples of hours up to 70 or 80 is so small, and negligible, that it ought not to be taken into consideration. The hon. Member raised an issue which was very largely outside this Bill—the question of juvenile employment. It is a subject which has exercised, and will continue to exercise, the mind of Parliament on many occasions. He raised the point about boys being on vans from eight o'clock to eleven o'clock the following morning. I would say that boys on vans are outside the scope of this Bill altogether, and, in any case, unless I am very much mistaken, the Road Traffic Act, which was passed by this House two years ago, prevents anybody from doing more than eleven hours on a motor vehicle without a considerable interval for sleep.

I am not going to deal with this matter on narrow issues. I am going to deal with it on big, broad issues because it was brought out in the cross-examination by these three gentlemen. The hon. Member for Grimsby (Mr. Womersley) intervened with two questions on page 23. He said:

> "The Chairman said there are cases where it is alleged they work 76 and 80 hours a week. I notice the term 'alleged.' Can you give any instances in your knowledge of any shops where the employés are asked to work 76 to 80 hours a week?—I cannot understand an employer working such hours.
>
> You do not know any case in your experience?—No.

[Mr. Remer.]

Have you ever had any case returned to you in the form of an answer to a questionnaire or any case in your Association's return?—(*Mr. Howling*) No."

Mr. MORGAN JONES: Read the next question please.

Mr. REMER: Mr. Oliver then said:

"Mr. Howling was going on to say: 'If it is proved that there are excessive hours,' and then he was interrupted?"

and then Mr. Clark said:

"I think Mr. Howling would say that if those very excessive hours had existed they are in such extremely isolated cases that legislation should not cripple those who are doing the right thing."

These stories are given by the hon. Member, but he gives no concrete example. It is simply a story which he gives to the House without any data whatever. The cases which he has in mind are so isolated, and so negligible, that it is perfectly ridiculous we should be asked on this Friday morning to pass legislation to deal with such trumpery matters. I said I was laying particular stress on the small trader. May I remind the House that there was one small trader, I believe on Clydeside, who afterwards became famous and known to the laymen of practically the whole world—I mean Sir Thomas Lipton. He, from a little shop in Glasgow, built up a great business which was the marvel of the whole world for its ramifications. How did he build up that business? He did so by his shrewdness, his thrift, and his business acumen, and more than that by his hard work. Now there are people in this House who believe that nationalisation, puting everything under the State, gives an advantage. There are some, even in my own party, who advocate something very like that, but they call it rationalisation and co-ordination. For my part, I must say that I believe in the small unit. The small unit is the more efficient unit. The manager of the small unit can give closer attention to his business. He can provide more efficient organisation, and give that personal touch which is so valuable in securing the trade and commerce which will bring back a state of prosperity. It is the small unit, and not the large one, which has made our British people so successful in the business line. My last words in seconding the Amendment is to ask the House to give the small man a chance, to enable him to conduct his business free from all these restrictions.

12.35 p.m.

Mr. LEONARD: As the House rises early to-day I think I will spend a little time in paying a visit to the Old Curiosity Shop. The two speeches to which we have just listened take me back to the opinions which were held strongly in the days of Charles Dickens; they certainly do not represent opinions which are held to-day in enlightened business circles. The hon. Member for Macclesfield (Mr. Remer) is a little perturbed because we have selected this industry, but really no explanation is needed. The point is, does it require attention; and the details which have been put before the House by the hon Member for Caerphilly (Mr. Morgan Jones) warrant the claim that it is an industry which does require some attention. It has been suggested by the hon. Member that there is no trouble or agitation anywhere in retail shops and that the only place where there is any strife is in the Co-operative Society. May I tell the hon. Member that there are no fears exercising the minds of employés in the Co-operative Society, there is no intimidation; and because of this freedom they have no hesitation in demanding their rights.

The hon. Member made a reference to the county towns. Apparently he has not read the Bill, because there is sufficient elasticity in it to enable peculiar conditions where they exist to be considered and met; if not under the Bill at any rate by an Amendment. He also referred to the shift system in the Co-operative Society, and just as he asked the hon. Member for Caerphilly where he got his data for the details he gave to the House I should like to ask the hon. Member for Macclesfield where he got his information from. He has put some questions regarding the Co-operative Society to the Government, and I have asked him for the data in regard to those questions. I am still awaiting the apology that is due because the hon. Member has not yet sent these facts to me.

Mr. REMER: I refuse to make any apology because my statement was true.

Mr. LEONARD: That is a question of fact, but if the statement was true the acts have not been sent to me, notwithtanding a promise to do so. I shall wait with interest the receipt of the acts. I do not think there will be much bjection to the Bill because it proposes o give some protection—and this Government believes in protection. The Bill is calculated to protect not only shop ssistants but the good small employers, who are now subject to the conditions imposed upon them because of the freedom which is allowed to bad employers, who have less scruples in placing impositions n their employés. We ask for a 48-hour week, and so far I have heard nothing which goes to prove that it is impossible to apply a 48-hour week. With regard to overtime, I see no reason why payment hould not be made to those who are inonvenienced or why a penalty should not be imposed on employers who do not rganise their business in such a way as to eliminate the necessity for overtime being imposed upon their employés.

We listened to a humorous speech from the hon. Member who moved the Amendment, but in my opinion there is no more complexity in this Bill than in many of the measures proposed by the Government. Indeed, it is not half so complex as some of the legislation which will have to be introduced by the Government in egard to import duties. No increased costs are involved. They are already being met and paid for by the co-operative movement in this country, and the esults so far has not been to entail any ncrease in price. With regard to the general public there has been a great agitation amongst some people that the general public will be placed at a disadvantage. I cannot see that there will be much inconvenience on the part of the general public. There is a tendency to assume that there is a great mass of purchasers waiting at the stores at the beginning of the day and a great crowd of people standing at the doors just at closing time. That is not the case. The great mass of purchases in shops takes place during hours which can quite reasonably come within a 48-hours week. The number of people who would be at all nconvenienced is negligible, most of the purchases are made at times well within reasonable hours.

It must also be remembered that the public is very adaptable. In the past they had been forced to be adaptable by changed circumstances; and they can be equally adaptable with regard to any imposition which may be placed upon them through the operation of this Bill. The working population is the buying public, the great mass of the workers constitute the great mass of the buying public, and there is no reason to assume that the buying public are not sufficiently adaptable to meet any changes which may be made. I notice that in the evidence of Mr. Kenneth Thomas given at the inquiry he says:

> "A society trading with its own members can, within reason, make what arrangements it pleases as to the hours and conditions of service rendered."

That is to say, that the people who make these conditions are the representatives of the buying public, they are the purchasers of commodities, and it is unreasonable to assume that because they are members of co-operative societies they are going to place hardships upon themselves as purchasers, and are going to insist on their shops maintaining hours which will inconvenience them as purchasers. Therefore if in the case of the 6,000,000 representatives of co-operative societies in this country it is found that they suffer no hardship from the application of a 48 hours week, there can be no hardship in applying it to the general buying public. Further on the same gentleman says:

> "They have, in effect, to go out and seek their customers, and this means consulting the shopping convenience of the public in every possible legitimate way."

I respectfully submit that if 6,000,000 purchasers controlling their own shops find that a 48 hours week is sufficient to permit their womenfolk and others to make all the purchases they require, there can be no hardship in applying the 48 hours week to anyone else. This Select Committee had before it many private individuals who gave quite impartial evidence. There was no doubt as to their opinions on the practicability of a 48 hours week, and its desirability from the point of view of the health of the assistants.

Now a word with regard to the shopkeepers themselves, for I recognise that they have to be considered. We have heard a great deal as to the intimacy of employers with their employés. Again that applies both ways; it applies to good employers' and bad employers' shops. We see signs in certain shops

[Mr. Leonard.]

that do not point to such freedom, even in small shops. Among the many difficulties some shopkeepers have to contend with is the fact that there is not so much money coming into the shops, and this may make them a little sore on many points. But they themselves are wholly responsible, because they have been very prominent in the stampede for national and local economy which has reduced the wages that generally go into their shops. The proposal of the Bill gives fair play to the good employer, and we can only get fair play by regulation. I do not think that this House can object to anything in the form of regulations, because regulation is the order of the day now. We are saying to various industries, to agriculture for instance, "Yes, we think you should be helped, and we will help you, provided you organise yourselves, but you must make a start." The shopkeepers are entitled to fair play, and one of the means of giving them fair play is by regulations such as are suggested. I have taken part in negotiations covering the furniture trade, and time and time again the employers have told us how they have been held up because the conditions applied by bad employers absolutely determine the conditions that others have to lay down. It is said that the bad employer ultimately fails, and that may be so, but unfortunately before that comes about a great deal of hardship is inflicted on his employés and he cripples them in health.

With regard to the multiple firms. I do not see that the advantages of organisation percolate through to the employés under their control, but I notice from the Maypole Dairy Report that they paid a dividend of 17.5 per cent. from 1927 to 1930, that the Meadow Dairy Co. paid 30 per cent. during the same period, that the Home and Colonial Stores have been very successful and have paid 25 per cent. during the years 1927 to 1931, and that the International Tea Co. stores have been equally successful, having started with 22 per cent. in 1927 and ended with 30 per cent. in 1932. Those companies might allow the advantage of good organisation to percolate through to their employés.

I want to refer to a suggestion with regard to perishable goods. The assertion is made that any curtailment of hours will penalise those who deal in perishable goods. There may be something in it, but I do not think the case is as important as it is represented to be. When persons purchase perishable goods they do not purchase them on the basis of the hours a shop is open. It does not matter to them how many hours a shop is open. If a customer wants to make certain purchases he will make those purchases whether the shop is open for eight hours or nine hours. As a matter of fact the shorter the hours the better, because the stuff will be fresher when it comes out of the shop. It is not the co-operative experience that we have had to increase the number of employés because of reduction in hours.

I notice here a statement made by a Mr. Jones, who acts on behalf of the Labour Department of the Co-operative Union. He states that so far as the retail side of the movement is concerned it may be said that the 48 hours week became substantially operative from 1910 to 1912, and that it has been general since about 1916. He refers to the question of the warehouses of the general or wholesale type, and he says that in that class of employment the hours are actually 41 per week. They are also able to recognise the right of an employé to better organisation. The Union recommends that if overtime is not less than one and a half hours, 1s. 6d. shall be paid; if not less than two hours, that 2s. to be paid; if not less than 2½ hours that 2s. 6d. shall be paid; if not less than three hours, that 3s. to be paid; and if not less than 3½ hours that 3s. 6d. shall be paid. Those are actual conditions being operated at the present time.

Then there is the case of co-operative societies taking over private stores, not stores with which they were in competition, but stores far removed from such competition. There they apply the new conditions, work the organisation with the same staff, and increase the wages by 2s. to 29s. a week and reduce the hours from 56 to 48. As to the shop assistants themselves, we have been told that there is no mandate for this Bill. I do not know how one would get the voice of the shop assistants. There is only one way in which the shop assistants can tell what they desire and that is through their organisations. This Bill has the support of the shop assistants of this country who are organised in such a way as to give expression to their opinions. In the past shop assistants in general had been looked upon as persons indulging in light employment, what many people think is light and desirable employment.

I have had experience both as a shop assistant and as a carpenter, and I have felt much more tired, worried and washed-out after a week's work as a shop assistant than after a week as a cabinet maker in the ordinary workshop. I have seen those whose general employment is that of shop assistants going home in the evening so tired as to be unable to take the rest to which they were entitled, let alone any enjoyment. I would like hon. Members to get out of their minds the idea that shop assistants are a privileged class of persons. With regard to the number of hours worked by them, as to which some question has been raised by hon. Members, may I refer again to the minutes of evidence which have been touched upon already. Mr. Kenneth Thomas, who speaks on behalf of the United Kingdom Association of multiple shop proprietors said, with regard to his shops and those of the people for whom he spoke, that inquiries by the association had revealed that the present hours, excluding mealtimes, varied from 50 to 58 hours, with an average of 54 hours, in some instances plus overtime of about three hours weekly spent in clearing up.

I am prepared to accept those figures as representative of the great multiple shop trade and I state quite emphatically that, as a result of my experience, they are far too long and that the multiple shops could very well afford to have the "imposition," as hon. Members call it, placed upon them in order to improve those conditions. The work of shop assistants is also looked upon as a youth's employment. There is evidence to-day in many working-class homes to prove that in large warehouses and shops to-day employers are weighing very carefully in the balance the alternatives of keeping in employment a girl of 25 or putting her out and getting in a girl of 16. They even consider whether they should not bring in girls of 14 and save insurance stamps. That is the condition of things to which your conception of good conditions has led.

If this is to be regarded as a youth's employment, then the vitality of youth is being exhausted by working these long hours. I see in certain trade papers references to the great need at the present time for instruction in the art of salesmanship. When are these young people to be instructed if you keep them at work for 58 hours a week or how are they to be in a fit mental condition to receive any instruction? The difficulty of maintaining health has already been mentioned and I do not touch upon it further than to point out that the gentleman to whom I have already referred said that among the staffs of the firms under his jurisdiction, there was a high standard of health. That may be so, but it is in the main due to the fact that they are absorbing the healthy youth of this country to an extent which they are not entitled to do. If the co-operative employers in this country, covering eight per cent. of the distributive trades, are able to satisfy 6,000,000 people with regard to hours and wages and overtime conditions, we are asking nothing unfair and nothing which is outside the bounds of possibility in asking the House to accept this Bill.

1 p.m.

Sir GERVAIS RENTOUL: As the hon. Member for Macclesfield (Mr. Remer) has said, those who have been for some years Members of this House recognise in this Bill an old friend. We have been reminded that a Measure substantially similar was introduced in March, 1930, and received a Second Reading without a Division. In order to avoid any misunderstanding on that matter the House ought to be told that that Bill only received its Second Reading without a Division because a distinct and definite pledge was given by the spokesman of the Labour Government, the then Under-Secretary for the Home Department, that an immediate inquiry would be set on foot to examine the whole position. It was after the opponents of the Bill had been fully satisfied that the inquiry would be a proper one and an extensive one that the Bill was formally allowed to pass the Second Reading stage. That point ought to be emphasised, in case some hon. Members imagine that on that occasion the House definitely endorsed the general principles of the Bill when, in fact, it did nothing of the kind.

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On that occasion I was privileged to move an Amendment somewhat similar to that which has been moved this morning. It is interesting to observe the changes which have been made in the Bill now under discussion as compared with the Bill of three years ago, but the main purpose of both Bills is the same namely, to establish a compulsory and rigid 48 hour week in the distributive trades. It is easy to suggest that those who oppose the Bill are in favour of long hours of work and are anxious to put back the clock. That suggestion, I, for one, entirely repudiate. I do not, in all sincerity, believe that there is the slightest foundation for it. A genuine difference of view exists between us and hon. Members opposite. We believe that an entirely wrong method of approach is being adopted towards the question of dealing with the evil, if indeed, an evil on any widespread scale exists.

When the previous Bill was discussed I submitted a few reasons why any compulsory restriction of hours was undesirable. I suggested that such a restriction would cut across the whole principle of voluntary negotiation; that it would necessarily increase overhead charges, tend to raise prices and cause inconvence to the customer and that it would create unemployment and promote casual labour. I suggested that there was no overwhelming demand for it, that it would penalise small shopkeepers, add to the difficulties of distribution, upset existing agreements and prevent that reasonable elasticity in the conduct of the distributive trades which, I think, everyone with experience of those trades admits to be essential. Finally, I suggested that it represented mere piecemeal dealing with a question, which, if dealt with at all, ought to be dealt with on broad national and indeed international lines.

If those were the objections which occurred to one three years ago, I confess that most of them are much stronger to-day. A good deal of water has passed under the bridges since the House last discussed this subject. We have, quite rightly, heard a great deal about the report of the Select Committee set up as a result of the previous Debate in this House. I have always admired the sincerity of the hon. Gentleman who moved the Second Reading of the Bill and I admired to-day, not for the first time, his advocacy. In the most skilful manner, he skated lightly over the points which were not in his favour or which did not tend to support his argument, and he laid enormous emphasis on one or two matters which he conceived to be in support of his case. For example, time and again throughout his speech he referred to the unanimous nature of the Report of the Select Committee. I was a member of that Select Committee, and so were the hon. Member for Westhoughton (Mr. Rhys Davies) and several other hon. Members who are here to-day, and I think that they will agree with me in this at all events, that it was very far indeed from being a unanimous Report.

That applied throughout the whole of the proceedings. From first to last there was a fundamental difference of opinion on questions of principle revealed between us. Indeed, the main recommendations of the Report, the substance of the Report—that is to say, the 48-hour week and the question of overtime—were only carried by the Chairman's casting vote. The Committee was split from top to bottom on those two vital matters, and, with regard to the other proposals contained in the Report, the Committee was certainly not unanimous. The Chairman of the Committee would, I think, be the last to deny that he was a strong supporter of the principles embodied in this Bill. It fell to him, in accordance with recognised procedure, to draft the Report, and I do not in any way venture to impugn the accuracy of the Report where it refers to evidence given before the Committee, but I do entirely dispute the emphasis, the wrong emphasis, that has been laid throughout the Report, almost from first to last; and any Member of this House who reads that Report and then will take the trouble to go carefully through the evidence produced before the Committee, upon which that Report is based, will tend to agree that the Report does not substantially represent the evidence and that it leaves an erroneous impression upon the mind.

Therefore, I hope that hon. Members who want to make up their minds on this matter will attach far more importance to the evidence, to the statements of the witnesses, their cross-examination, and so on than to the summary of that evidence as it appears in the actual Report of the Committee. We had, as has been stated, a very great volume of evidence before us from some 69 witnesses representing the distributive trades of the country, many individual shopkeepers and shop assistants, and others. I confess that much of it tended to strengthen and confirm the views which I had previously held, and I think that was the case with many of my hon. friends. It is not that we did not try to approach this matter with an open mind, which is proved by the fact that in some minor respects, as a result of the evidence, we felt constrained to modify our views; but, with regard to the main principles, I am clearly of opinion to-day that the evidence given before that Select Committee strengthened the views that were previously held.

We regret, therefore, that this Bill should simply revive in substance these old controversies and should not have concentrated, as it might have done, on one or two perhaps comparatively minor points where the Committee was in agreement and where, in a private Member's Bill, a proper and very useful advance might have been made along the road of social legislation. If, for example, the Bill had confined itself to laying down some statutory limitation of hours in the case of young persons, it might have commanded a very definite measure of acceptance from many Members of this House.

Mr. RHYS DAVIES: Does that mean to say, that if we introduced a Bill dealing with that specific point, we could rely on the support of the hon. and learned Gentleman?

Sir G. RENTOUL: It would be a matter of caution on my part to ask to see the terms of the Bill first, but I certainly would not desire to retreat in any way from the recommendation of the Select Committee, where I think there was reasonable unanimity, that a 48-hour week might be justifiable in the case of young persons. Whether it would be practicable is, of course, a matter that would have to be discussed, but at any rate what I say at the moment is that if this Bill to-day had been confined to a matter of that kind, I think, so far as the principle is concerned, it would probably have obtained its Second Reading, and then any questions and matters of detailed administration would have been left to be decided in Committee upstairs.

Mr. WALLHEAD: Without any reference to the international aspect of the question?

Sir G. RENTOUL: I am only concerned now with the recommendation of the Committee, with regard to which I think there was unanimity in the Committee. Whether the proposal would be practicable, either from a national or an international point of view, is a matter that would need further discussion. Similarly, if this Bill had confined itself to enabling powers to be given for the enforcement of an earlier closing hour for shops than 7 p.m., there might have been some unanimity with regard to that. But when this Bill simply revives the old controversy and the very widespread and important questions of a general 48-hours week for the whole of the distributive trades, which has long been a subject of controversy, in both its national and its international aspects, then it puts the Bill on an entirely different footing; and it is not a matter which ought to be dealt with in a private Member's Bill under any circumstances whatever, apart from any merits that it may have.

The hon. Member who moved the Second Reading of the Bill created, I think, quite unintentionally, a slightly misleading impression when he said, with a good deal of emphasis, that there had been no legislation for 60 years dealing with this matter. He was referring to the Act of Parliament limiting the hours of juveniles to 74 per week, and he said, "No legislation for 60 years; what a scandalous thing." In point of fact, 12 Acts of Parliament of one kind and another, dealing with conditions and hours, either directly or indirectly, of shop assistants, their health, and so forth, have been passed in the last 30 or 40 years, and it is not in the least the case that Parliament has been unmindful of the claims and conditions of this particular class of worker. The hon. Gentleman ended with a peroration in which he said that every hour that could be won for these people was an additional improvement in their health, their well-being, and so on. Well, of course, if you were to carry that theory far enough, you would finally arrive at a state of affairs where no work at all would be done. I have often wondered whether hon. Members opposite do not

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make a fundamental mistake in looking upon all work as an evil. That seems to be their attitude. "Let us have shorter and shorter hours, and let us get rid of this, that, and the other." I totally disagree with them in that view. We do not regard work as an evil in any sense of the word. I have often heard some hon. Members opposite boast in this House about the long hours that they themselves have worked in their earlier life. That may have been a hardship which they do not look back upon with particular pleasure, but it has not apparently done them very much harm or interfered with their health, for it has enabled them to end by sitting on the benches in this House.

This Bill contains three points of substance. The first is the 48 hours, the second is the question of the regulation of overtime, and the third is the proposal to set up national and local advisory boards. With regard to the 48 hours, it is admitted that a rigid regulation of hours in the way proposed would be a big interference with trade. It is an interference of the kind that cannot be justified unless it can be proved that the need for it is obvious, and that an evil exists which cannot be satisfactorily dealt with in any other way. Where is the evidence of that? Where is the evidence that a widespread evil exists in the distributive trades? It is easy, of course, to pick out isolated cases and say what a terrible thing this, that and the other is, but legislation cannot be carried through on such a basis. I submit that in face of the large body of evidence that was put before the Select Committee, there is no evidence of a widespread evil with regard to the length of hours which would justify the drastic action now proposed. Some reference has been made to the investigation which was carried out at the same time by the Home Office into hours and conditions in shops. Widespread inquiries were made all over the country in regard to every kind of retail trade. What do we find? A large number of shops were visited in London belonging to every class of distributive trade. The result of the investigation showed that 30 per cent. of the assistants worked a maximum of 44 hours a week; 11 per cent. worked 46 hours; 24 per cent. 48 hours; 11 per cent. 51 hours; 6 per cent. 52 hours; 6 per cent. 54 hours; and only 2 per cent. worked a maximum of 56 hours. That disproves any suggestion that there is a widespread evil.

Mr. LEONARD: As the figures are so important, will the hon. Member say under whose auspices the investigation took place and if they have been published?

Sir G. RENTOUL: The figures are taken from the inquiry which was conducted by the Home Office and I assume that they are available for hon. Members. They are substantially similar to those given in evidence before the Select Committee. They prove that the overwhelming majority of shop assistants do not work anything that can reasonably be described as excessive hours. These figures apply to London, but similar figures are available in regard to most other big towns throughout the country, and they tend to show that the vast majority of workers in the distributive trades work between 44 and 55 hours per week. We know that years ago there was a great scandal in regard to the length of hours. A point has been made that there has been no legislation on this matter for 60 years, and yet no one will deny that a very big improvement has been brought about during that time. It has been brought about, not by any action that Parliament has taken, but by voluntary agreement, by collective bargaining, and possibly in some instances by militant action on the part of shop assistants themselves.

That tends to support the suggestion that there is really no case for State interference, and I take the view that State interference is in itself an evil unless there is a situation which cannot reasonably and properly be dealt with by any other means. There is certainly no demand for it on the part of shop assistants. We know that the trade unions have failed to organise the shop assistants on any widespread scale, and that possibly is one of the reasons why they attach some importance to this particular Bill. Why is it that the trade unions, which have been so successful in organising the workers in other industries, have not been successful on the whole in organising the workers in the distributive trades? It is because there is no substantial cause of complaint and for dissatisfaction on the part of shop assistants. If there were, do hon. Members opposite suggest that the average shop assistants are such feeble and spineless individuals that they will continue through years to submit to terrible conditions and hardships amounting almost to cruelty, and take no steps in these days of popular education, when the trade union system is so widespread, to combine in order to remedy the evils?

Mr. LEONARD: Are the evils in the printing industry responsible for its being organised to the extent of nearly 100 per cent.?

Sir G. RENTOUL: I do not want to be led away from my argument. It is always easy to raise a point to distract the speaker from his argument. The trade unions have not been successful in organising the shop assistants on any big scale, and I suggest that the reason is that there is no widespread complaint. The trade unions have in many ways served an enormously useful national purpose, but there is no doubt that they have flourished and do flourish on grievances. Whether those grievances are always as real in these days as is sometimes suggested might be open to argument. Every intelligent person knows that a great deal of improvement has been brought about in many cases by collective action, and I refuse to believe that if these evils exist in the distributive trades on the scale that is suggested, the shop assistants would refuse to take the opportunity and the means that are open to them to combine in order to remedy them.

If there is to be a 48-hour week for the distributive trades, it ought to be only as part of a general arrangement applying to all the industries of the country and to other countries as well. In the distributive trades it is admitted, I think, by those who support the Bill and by anybody connected with the trades that overtime to a certain extent is essential for the competent conduct of business. It is a little significant to compare the provisions with regard to overtime in the previous Bill with those in the Bill now before the House. In the previous Bill it was proposed to lay down a definite maximum limit of 60 hours a year for overtime, and it was suggested that that was a very generous concession. Apparently the promoters of the Bill have now realised that it was nothing of the kind, and that it would be most inadvisable to attempt to prescribe any rigid limit of overtime, and therefore they endeavour to try to get out of their difficulty by saying, "We will leave it to be settled by the Advisory Board."

Even if the Advisory Board were able to settle it, nothing could be more unworkable than the proposals of this Bill. Some reference has been made to the conspicuous place in which the notice would have to be put up. As I read the Bill, the employer would have to decide definitely a week or so in advance what amount of overtime was to be worked and by whom it was to be worked, and a schedule would have to be put up. That would entirely destroy any elasticity in the general conduct of the business, or any power to deal with a sudden rush of work or a sudden emergency as it might arise. Whilst overtime is admitted to be necessary, the idea of the promoters of this Bill is to make it as burdensome and as unworkable as possible. That seems to be entirely unreasonable. It ought to be a matter of voluntary arrangement. Nothing could tend more to destroy the good feeling that should exist, and which I am sure we all know does exist, in the great majority of distributive businesses, between the employers and the employed. We know, also, that many assistants work on commission. To limit overtime would be to put a definite obstacle in the way of personal advancement and individual initiative.

One matter which I think is often overlooked in these discussions is the interest of the public itself. The public and the community have rights as well as shopkeepers and shop assistants. There is the worker, who can only do his shopping after his own working hours are ended. That consideration applies particularly to foodshops. Even if a 48-hour limit were imposed, shops would have to be kept open for longer than that, and some arrangement would have to be made to meet the position, and we should probably have the introduction in the big shops of a shift system such as would be quite impossible in the case of the small shopkeeper and would gradually tend to drive him out of business. All through the inquiry, as in this discussion to-day, the example of the co-operative societies was held up to us as a wonderful thing. The underlying idea

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seems to be that the conversion of the whole country to a vast co-operative system is the ideal at which we should aim. But there is plenty of evidence that people who belong to co-operative societies take advantage of other shops which are open for longer hours and at other times to supplement their purchases from the co-operative societies. It is no argument to say—because I do not think it is a fact—that people are perfectly satisfied with a 48-hour week for co-operative societies and therefore should be satisfied with a similar restriction on all other businesses.

With regard to the advisory boards, here, again, I think it is right to make it clear that there was no unanimous recommendation in the report of the Select Committee. We—I mean I and some of my friends—were fundamentally opposed in principle to a legislative 48-hour week, but what we did say was that if, in spite of our objection, a 48-hour week were established by law, it would probably be necessary to have something in the nature of a national or local advisory board to control conditions. but it certainly was not the case that the Committee were unanimously in favour, irrespective of other conditions, of setting up national and local advisory boards to control the distributive trades. There are other minor points in the Bill which I think would need a good deal more consideration before they could be accepted, such, for instance, as the new definition of shops and shop assistants, and the question of bringing in the wholesale shops, a matter which certainly was not considered as fully by the Committee as it would ultimately need to be.

For these reasons I submit that this Bill is not only unnecessary in principle but unworkable in detail, that there is less justification for it after the evidence given before the inquiry than existed when it was last discussed in this House, and that in any event this is the wrong time to interfere in a matter of this kind without grave cause. We are passing through a period of very great trade difficulties, when many shops are having the utmost struggle to keep their heads above water, and this is certainly not the time to place upon their shoulders further burdens which would deprive them of that power of development, that elasticity, which they must possess. Even if it were justifiable to do it in a time of general prosperity it cannot, to my mind, be justified under present conditions. Therefore, I trust the House will decline to give this Bill a Second Reading, because it is an unjustifiable interference with private enterprise and initiative, and, in my view, merely another example of modern and shortsighted Socialism.

1.33 p.m.

Miss PICKFORD: I hope there will be as much unanimity in the House as there was in the Select Committee on the question of young persons engaged as shop assistants, because I cannot help thinking the whole House will agree that a system which permits a boy or girl of only 14 to work for 74 hours a week should not be allowed to continue any longer. It is an anachronism. It is perfectly clear from the statistics which appear in the report of the Select Committee that, normally speaking, in most of the distributive trades, the working week varies from between 46 or 48 hours up to 54 or 56. At the same time the report shows that there are instances, grave instances, in which young persons do work 69, 70 or even more hours. If it is not necessary for the normal working week throughout the country to exceed 48 to 54 hours there can be no justification for permitting young persons to be worked up to 60 and 70 hours. One has every sympathy with the small trader who has to meet the competition, not only of the chain of shops in different districts, but also of the multiple shop which can afford to take a small profit at one branch which competes with the small trader because it gets a larger turnover from the other shops. One wants to do what is possible to help and encourage the small trader, but I do not think that it is possible to justify the small trader working young persons up to hours as long as that.

I hope that before the day is over the Under-Secretary of State for the Home Department will tell us that it is the intention of the Government to bring in before long a Young Persons Bill which will restrict the working hours of young persons in shops and in other trades as well. The experience of history shows that if you restrict the hours of one class of workers the hours of those in unprotected trades tend to conform to the hours of the protected workers. By bringing in regulations for the young persons, a great deal will be done to improve the general standard of working hours throughout the country for shop assistants.

When I turn to the Bill, it is with regret that I have to agree with many hon. Members who have found it far too rigid and inelastic. If it had been a reasonable Bill I would have been only too glad to support it, but the hours and conditions that it lays down see to be an attempt to approximate much more to factory conditions than to shop-hour conditions. There is no possible analogy between conditions in shops and in factories. I would be glad to see legislation to make, with reasonable exceptions, a 48-hour week the normal working-week in factories, but that is a very different thing from expecting a 48-hour week to be the normal working-week in shops. The proprietor of a factory has most of the factors of production under his control, and when he shortens his hours of work he can, by organisation and better machinery, speed up his production. He has control of those conditions. The retail trader has not control of all the conditions of his own working. He can, of course, control the hours at which customers come by locking the doors and by saying that his business is not being carried on, but he cannot otherwise control the customers who come to his shop.

It is very often said that the main and the most important occupation of my sex is shopping, and shopping is perhaps a matter about which I have a good deal of knowledge. There is no doubt that, on the whole, women are far better shoppers than men, because, unlike men, they do not take the first thing that is offered to them without asking the price so as to get out of the shop as quickly as possible. What women do is to have a good look round first, and to find out where they can get the best article at the cheapest price, and all that takes up a considerable amount of time, a good deal of it without bringing in any profit to the retailer. Any retailer who said: "You have had enough of my shop assistant's time. We must now pass on to the next customer", would soon find that his business would not continue to flourish. It is not possible for the shopkeeper to have the same control that a factory proprietor has over the conditions in which his business is carried on. The shopkeeper has to conform far more to the wishes and peculiarities of his customers than does the factory manager who, so long as he produces the goods ordered within the contract time, does not have to consider the whims and fancies of the man who has placed the order.

There are other points in which it is not possible to make any clear analogy between conditions in shops and in factories. In a shop there will be rush hours and slack times which cannot be avoided. Therefore, one must in all reason and fairness take into account those slacker times when assistants should be able to get a certain amount of rest. I lay emphasis on the word "should" because although there is legislation for obliging the proprietors of shops to provide seats for shop assistants, the Report of the Select Committee shows that that provision is to some extent inoperative, and that shop assistants get very little chance, even in slack times, of taking rest by sitting down.

I was glad to see that the report of the departmental investigator in London showed that although 27 per cent. of the shops in Islington did not provide seats, 17 per cent. in Westminster did, and so did 12 per cent. in Hammersmith. I was glad to see that, in common with the County of London, Hammersmith had the best record of London county boroughs in applying the Regulations in regard to seats for shop assistants. It is the practice, unfortunately, that those responsible for the working conditions of shop assistants discourage the assistants from using seats where they are provided. There is the evidence of the Select Committee that that is the practice, but shopkeepers should encourage shop assistants to take every possible advantage of the rest in slack times so that when busy times come they may be fresh and able to cope with their work.

It ought to be agreed that shop hours must have a greater elasticity than should be the case with factories. If we turn to the Bill, we find not only that the limits of hours are less elastic, but that they are even more rigid. When a Factories and Workshops Bill was introduced by two successive Governments, one Labour and one Conservative, to make the nor-

[Miss Pickford.]

mal working-hours 48, instead of as at present 60, in non-textile factories and workshops, it was recognised that it would be necessary to allow a certain reasonable amount of overtime to all, and not only, as at present, to trades which are subject to special rushes of work. If that was considered necessary for a factory, where the strain is considerably greater and where the concentration of work within the time is much greater than it is in a shop, surely at least as much elasticity should be allowed in shop hours. As we can see, the Bill does not suggest that it should be permissible to have overtime in every trade, but that only the local boards might recommend that there shall be overtime in excess of the working-week of 48 hours in certain trades and businesses, and only within the area of the local authority over which that local board has control. That, as the hon. and learned Member for Lowestoft (Sir G. Rentoul) has just pointed out, is making overtime extraordinarily difficult, instead of allowing as the Factories and Workshops Bill allowed, a reasonable amount of overtime to all trades.

There is another curious point that I notice in the Bill. The Report of the Select Committee defined shop hours as being the hours in which a shop assistant should be deemed to be at the disposal of the employer, but with the exception of meal-times. It is true that Sub-section (1) of Clause 1 says that a shop assistant shall not be employed in or about a shop for a longer period than 48 hours, exclusive of meal-times, in any week; but Sub-section (3) of Clause 10 says that:

> "For the purpose of calculating the hours of employment and of overtime employment under this Act a shop assistant shall be deemed to be employed for all such time as he is at the disposal of his employer."

I think it must be clear that in those shops—and this would apply to most small shops—where the shop assistant takes his meals on the premises, probably frequently with the family, he is at the disposal of his employer during the time when he is taking his meals, and may be called to serve a customer during that meal-time. Although in large stores it certainly is possible, and probably is the practice, to have definite meal-times for assistants, during which times they would not be at the disposal of their employer, that would be an extraordinarily difficult matter to regulate in small shops. Therefore, the effect of this Sub-section, as I read it, is to make the working week 48 hours inclusive of meal-times.

On the question of overtime, there is another point that seems to have escaped the attention of other Members of the House. Those members of the Select Committee—which was not unanimous on this point—who advocated extra payment for overtime, advocated it at 1¼ times the usual rate; but the promoters of this Bill go further, and say that, for any periods beyond the first quarter of an hour, not less than 1½ times the ordinary rate shall be paid. I was a little surprised that this question of extra payment for overtime was introduced in a Bill of this kind, because, so far as I am aware, it has not up to the present been the practice to deal with hours and conditions of employment and with payment in the same Bill and by the same Department. For instance, hours and conditions in factories and workshops are dealt with under factory and workshop legislation, and are administered by the Home Office, but questions of payment, which come under the Trade Boards Acts, are administered by the Ministry of Labour, with a separate organisation. The suggestion in this Bill is to include both under the same legislation. I was rather surprised that the hon. Members who have brought forward the Bill should wish to bring in the question of overtime payment in this way; I should have thought that they would have preferred to rely on collective bargaining, while, in those cases where it is not possible to rely on collective bargaining at present, the enforcement of rates of wages and overtime rates is carried out under the Trade Boards Act.

It must be apparent to hon. Members on the Opposition Benches, as it is to myself and others who have had some experience in the administration of trade board matters, that the payment of the rates of wages laid down by a trade board, after they have been settled by the representatives of both sides of the trade, has to be enforced by a special inspectorate, and that, if it were not for the inspectorate, a good deal of that legislation would be ineffective. It is very elaborate, and it necessitates an experienced and fairly large inspectorate to see that it is carried out. A thing which is comparatively simple when dealt with by trade boards, of which, speaking from memory, I think there are some 42, would be a very much more difficult matter in the case of retail shops scattered all over the country and having very different methods of working and book-keeping—some of them very large, such as multiple stores, and some very small indeed, such as the shop with a single juvenile employé. I am almost forced to the conclusion that the hon. Members who have introduced and supported this Bill are really not very keen that it should be passed, because I cannot help thinking that, if they were, they would have introduced a Measure which would have secured a considerable amount of support from Members holding the same views as myself who sit on the opposite benches from the promoters of the Bill. The Bill seems to me to be so inelastic and difficult that I fear it is impossible for those of us who have the retail trade at heart, both the employers' side and the employés' side, to support it.

I hope, however, that the question of young persons and their employment will be taken up before very long, because, as is shown in the Report, and as I said at the beginning of my remarks, there is no evidence that there is any necessity for excessive hours in the case of young persons. It is very easy to argue that such cases are exceptional, and I hope they are, but, just because they are exceptional, there can be no hardship in preventing by legislation the continuance of such exceptional cases, because such prevention will not bring any real hardship on those employers—and I believe them to be the vast majority—who would not think of exploiting young persons in this way.

1.53 p.m.

Mr. DENMAN: I would join with the hon. Member for North Hammersmith (Miss Pickford) in inviting the Government at least to deal at as early a stage as they can with the position of young persons in shops and in the distributive trades. So far as this Bill deals with that matter, I believe it will have the general approval of the House as a whole. When, however, we are asked to support an Amendment which condemns the Bill in general, I think we are asked to do something that is beyond what most of us would wish, and I hope that the Government, whatever they may say about the Bill itself, will not indicate any approval of the Amendment that is now before us. The Amendment recognises the undesirability of shop assistants working excessive hours, and then proceeds to give a number of extremely bad reasons why we should not support the Bill, which at least is an attempt to fulfil that particular object. It asserts that the Bill would involve local authorities in increased expenditure.

One is bound to comment on the fact that the Mover and Seconder of the Amendment referred very little to the Report of the Select Committee which had this whole matter under consideration. After all, a Select Committee consisting of Members from all parts of the House, and having before it a very large volume of evidence, is in a better position than most of us individuals to make some authoritative pronouncement on the facts before it; and on this first point, that there will be an excessive burden of cost, the Committee unanimously agreed to certain statements which are not consistent with that view. On page 58 there is a very interesting statement about the evidence given by the chief officer of the Public Control Department of the London County Council who, when asked whether any increase of his staff would be necessary if he had the task of enforcing legislation imposing a 48-hour week, said that he thought that any increase required would be only a reasonable one. He stated:

> "From a wide experience of London people I find that, when you get a law into their minds, they are an extraordinarily law-abiding people."

Later on:

> "Your committee are of opinion that the closer supervision of shop hours could be carried out without any great increase in the inspectorates. In the County of London 13 inspectors do the work under the Shops Acts; and, normally, every shop and stall is visited once a year."

This bogy of a large increase of officials is trotted out whenever any kind of Bill imposing regulations is proposed. All the arguments of the Proposer and Seconder of the Amendment are arguments that we have heard in every Parliament that any of us can remember. If we choose to read the records, we shall see the same arguments applied to the Factory Acts, the Trade Boards Acts and the Shops Acts, and in every case

[Mr. Denman.]

where it is supposed that any regulation would cause hardships and evils and ruin to employers which, in fact, when the regulation is imposed never occurs.

The Amendment goes on to assert that this will cause an increase in retail prices or a reduction in the wages of shop assistants. What does the Committee say on that point? It was not oblivious to the danger. Why should it be? It had evidence on the point, and it produces paragraphs which are unanimously agreed to.

"Your Committee believe that a 48-hour week for shop assistants would have no appreciable effect on prices."

On the question of the wages of shop assistants, they very certainly point out that, as far as can be judged from the views of representative organisations, the shop assistants

"would be prepared to take the risk of the consequences suggested, if risk there be, rather than sacrifice the advantage of a limitation of working hours."

The Amendment really neglects the evidence of our own Select Committee who reported to us. The Bill suffers from the defects from which so many Friday Bills suffer. They deal with large subjects which are really outside the range of a private Member's Bill. The promoters must recognise that the Bill has no chance of passing this Session even if it gets its Second Reading to-day. The only effect of it going upstairs will be that a large amount of time will be occupied in Committee, and it will come down and have no chance on Report. It is far too controversial in the form in which it is produced. We are, therefore, in the difficulty of having either to vote for a Bill which we know is doomed or voting against a Bill which contains a principle that we approve. That is an unfortunate difficulty in which we are often placed on Friday afternoons. The Bill has defects which, if not incapable of being remedied in Committee, would at any rate involve an extremely difficult Committee stage.

Let me take one point to show how difficult is the task of a private Member in drafting Bills and getting them through. The Select Committee pointed out that a change of hours from present conditions to 48 per week would not take place suddenly, but would be put into force gradually. I look at the Bill to see how it carries out that requirement, and I find an extraordinary condition of things. It comes into operation on 1st January next. The local advisory boards have to be set up within six calendar months of its passing. That is to say that, before it comes into force, apparently some authorities may or may not take action under it. Let us suppose that it is passed on the 15th July, then within six months of the passing, that is before 15th January, these boards have to be set up, and yet the Bill does not come into force before 1st January. Let us suppose that in the hectic fortnight between 1st and 15th January local boards are set up to fulfil their task. We are then faced with the further difficulty that a National Board has to be set up within a year after the passing of the Bill. Suppose that is not set up until July, 1934, you would then have a period in which you could not make an order because it could not be made until the National Board has made a recommendation to the Home Secretary, and you would simply have your initial period of six months in which there would be a rigid 48 hours without any possibility of variation. Of course, that is a Committee point which could be put right, but it indicates the difficulty of drafting Bills of this sort, and it indicates much better than any other example that this kind of thing ought to be done by the Government.

On the broad question, this Bill is in the direct Conservative tradition. Act after Act has been passed regulating trades on the principle that bad employers must be brought up to the level of good employers. No one is here asking for a standard which is not very widely adopted already. We have had figures to show that it is indeed the standard of the great majority of employers. We have had legislation bringing up the standard of the lower grade employer to the standard of the better, the object being in part the benefit of the worker and in part to relieve the good employer from an intolerable competition. That is a very real point that we always have to face of the good employer being confronted with the worse conditions of the bad employer and having a competitor who imposes upon him hours that he himself wishes to resist and to amend. That is in strict harmony with a long series of Acts, and it is generally recognised by now as an old Conservative principle. I, therefore, hope that the Government will be able to indicate that in due course they will themselves deal with the matter on satisfactory lines.

I end as I began by suggesting that the question, in so far as it relates to juveniles, is extremely urgent. We have had pledges that the hours of work of juveniles in the unregulated trades shall be submitted to regulation, and the ex-Under-Secretary of State at the Home Office even gave us hope that it might be within a very few Sessions. Anyhow, I look to the present Government within their lifetime, and, if possible, in the next Session, to introduce legislation which shall once for all put an end to the gross scandal of the hours of labour which juveniles work in the shops and the distributive trades.

2.6 p.m.

Mr. BANFIELD: I have listened to a series of speeches from hon. Members, all directed to the one end of showing that a legal 48-hour week in the distributive trades would be harmful to these trades, and to everyone employed therein. I would point out to hon. Members, speaking from an experience as a negotiator in the trade union movement, ranging considerably over 30 years, that every argument used this morning, every doubt expressed, and every fear put forward has been put forward over and over again by all kinds of employers in all kinds of industries in opposition to the 48-hour week, but when a 48-hour week has, by negotiation, been brought into operation all doubts and difficulties have disappeared. The hon. Member for Harrow (Sir I. Salmon) will doubtless pay a little attention to this point as he and I are rather old comrades and also antagonists in this matter. You get a state of things where certain employers in an industry are prepared to say: "We agree that a 48-hour week is desirable, that it is a decent number of hours during which to work, and we want our people to have a 48-hour week, but our difficulty is that there are so many other people"—chiefly small employers, they will say, if they happen to be large employers themselves—"who will refuse to agree to any voluntary agreement as to a 48-hour week." It is within the knowledge of the hon. Member for Harrow that he and many large employers associated with him have from time to time declared in regard to the question of hours of labour that there can be no satisfactory conclusion except by way of legal enactment. I believe that to be so. I suggest to hon. Members who have held up their hands with horror at the idea of a 48-hour week for the distributive trades, that, if the question was more thoroughly examined, if there were not quite so much bitterness and bias, and an entirely wrong conception that the more hours people work the more you get out of them and the more profit in consequence, then, with organised efficiency in industry, a 48-hour week would be desirable in the interests of everybody concerned.

We have heard that the distributive trade is one of those trades which cannot very well carry on unless it is allowed to work its employés as many hours as may be necessary. I heard the very pathetic stories this morning of good employers working alongside their workpeople, and that they were a very happy family, calling one another Tom, Dick or Harry, and giving and taking, though who was doing the giving and who was doing the taking was not really explained. I am very pleased to see the hon. Member for South West St. Pancras (Mr. Mitcheson) in his place. The conception of business being a family concern has disappeared long ago. It may exist in certain isolated cases, but in the main business to-day is not run on the idea that a man comes into a draper's shop or a grocer's shop and that, as a result of hard work and diligent attention to his job, he eventually marries the employer's daughter and lives happy ever after. That conception is altogether wrong.

Emphasis has been laid upon the point that there is no demand for a legal 48-hour week as far as the distributive trades are concerned. The position has been put to us in this way, that if people were discontented and had reasonable grounds for complaint, surely, they would bring the matter to the attention of their trade union and that thereby the discontent would be removed. I say without fear of contradiction that in the distributive trades a dead set is made by a majority of the employers against allowing their employés even to belong to trade unions. That feeling has been expressed over and over again. Further, there has been built up a psychology that in some way or other the worker who serves behind the counter is in a better social position than the common or garden manual worker.

[Mr. Banfield.]

There is bitter discontent among shop assistants of all trades. There is a tremendous feeling that they do not get a square deal and that the machine of modern industry crushes and keeps them down. There is a struggle going on behind the scenes in the big stores in London day after day and week after week, in which men are fighting each other, struggling like crabs in a bucket in an endeavour to come to the top, as a result of the system imposed upon them by employers. They are afraid to express their discontent for fear of being discharged and flung upon the streets. The economic circumstances of the workers employed in the distributive trades are such that they have to keep quiet. Discontent does not make itself heard. They are in the position of the slave who is afraid to open his mouth. If there ever was a trade in which a legal 48-hour week was necessary, it is the distributive trade.

Let me add my voice to the very considerable volume in this House which has championed the cause of the juvenile worker. The report of the committee on the subject proves fairly conclusively that terribly long hours are worked by boys and girls between the ages of 14 and 18. There has been an attempt to suggest that these are isolated instances. From my own experience I can say that there is shameful overwork in the case of boys and girls between 14 and 18 years of age. I go so far as to say that, instead of these cases being isolated, they are the general rule and not the exception. There is no opportunity for these boys and girls to improve their position by education. I read interesting articles from time to time in the Press about the art of salesmanship. Very nice gentlemen give very nice lectures to very nice staffs, telling them how, if they do so-and-so, and study this and that, the road to prosperity to managerships and directorships is open to them. With all due respect, I say it is all bunkum.

The employers in the distributive trade have shown little or no disposition to help any kind of education so far as their juvenile workers are concerned. All that they are concerned about, until such time as they throw these boys and girls on to the street, is to get as much out of them as they possibly can with as little wages as they can possibly give. During the week-end a lady came to me to tell me about a girl 17½ years of age employed in a warehouse from 7.30 in the morning until 8.30 in the evening, and when the mother complained bitterly to the employer about the long hours, the employer discharged the girl. For all those hours that girl was paid 8s. 6d. a week. It is all very well for hon. Members to come here and theorise, and say that a 48 hour week is not necessary. I would like some of them to go to the homes of the people as I do where they have to put up with this kind of thing.

There is another point I want to put. There has been a tremendous increase in Sunday trading during the last few years. Surely there must be some legal restriction in the number of hours of labour in any particular work. Thousands are being employed on Sundays with no extra pay. It all comes in with the week's work. I have a leaflet here affecting my own industry, issued by a baker in Camberwell. It says:

> "New bread on Sundays. Why buy your week-end bread on Saturdays when you can obtain fresh bread of superior quality here on Sundays?"

It means that this man employs boys and girls to come along on Sundays, that he employs bakers to make bread to sell on Sundays. This question of Sunday baking is not confined to London. An ever-increasing number of hours are being worked in the distributing trade, and it does appear to me that a sufficient case has been made out for legal enactment. Surely no hon. Member would seriously argue that 48 hours' work is not a reasonable number of hours, fair to the man and to the employer? We have heard a good deal of talk about rush hours in the distributive trade, and that there is nothing to do at some other times. I have never been fortunate enough to experience it. Even when customers are not in the shop there is always found something to do. My own experience is that a 48-hour week—not an 8-hour day—is sufficient to satisfy the public. Surely this House is no longer going to be swayed by the argument that a man who comes in three minutes after the closing time, 8 o'clock, must be served. Hon. Members will remember when shops in London used to be open until 10, 11 and 12 o'clock at night, and I will assert that at that time some man or woman would come in three minutes after 12 o'clock and demand something, and, of course, the employer said, "We cannot turn customers away." After all, those who serve the country in this industry have some rights as well as the public. It is only fair that the shopkeeper and his assistants should have reasonable hours of labour in so far as the public generally demand reasonable hours of labour.

I know it is unlikely that the House will agree to the Second Reading of this Bill, but I do say that this question of the legal restriction of the hours of labour will have to be dealt with. I agree, possibly, with the hon. Member for Lowestoft (Sir G. Rentoul) when he said that this matter ought to be dealt with in a bigger way. But there has been an inquiry by Select Committee and all sorts of evidence called, and is it to be assumed that when a Committee has been appointed to deal with a subject, and it has been dealt with, the subject is to be buried altogether? If anything is meant by a Committee, it means that some legislation should follow, and I put it to the House that this Bill is the logical outcome of the Committee and the evidence given. Therefore, I support the Second Reading.

2.23 p.m.

Sir ISIDORE SALMON: In listening to the Mover of the Second Reading describing the objects which animated him in bringing forward such a Bill, I waited for him to give some justification on general grounds for the Bill. The major part of his speech, however, was devoted to a subject with which, I think, we all have sympathy, and I certainly have, for I do not believe in the exploitation of the young person. If the hon. Member had introduced a Bill of that character it would probably have received a different reception than this Bill has received up to now. Some hon. Members who are supporting the Bill argue that the big employers deprecate the idea of men and women joining the unions, and that that is a reason why very few join them. I would ask the House to consider the proposition that, in a number of distributive trades, the shops in this country owned by small traders are out of all proportion to those owned by large firms, or companies. Therefore it is absurd to give that as a reason why trade unions do not receive a larger membership than they do at the present time.

One must admit that there are certain employers who are not good employers, but they are a very small minority when you deal with the whole problem. I do not think any case has been made for proposing a rigid rule of 48 hours in the distributive trades. It is within the recollection of many Members of the House that some three or four Governments have considered the 48-hour week for industrial workers. They could not agree that 48 hours was desirable, or in the interests of the workers of the country. Not that I object to a person working only 48 hours. The great objection I see is that there should be rigidity—that you should be compelled to work only 48 hours. If there is any magic in the proposal that only 48 hours should be worked, why does the hon. Member who introduced the Bill say in another Clause that you may work overtime if you are paid for it? No supporter of this Bill has supplied the House with any real information as to the necessity for such legislation.

The hon. Member who introduced the Bill rather gave the impression that there was a majority in the Committee in favour of the main principle for which the Bill stands. I understood, on looking through the evidence, that there was a majority of one. It does appear to me that the great thing we have to consider is the question of the small shopkeeper of this country. Let me say right away that I am not speaking from any personal desire, or representing the views of any particular body of persons, but I do express the view, after careful consideration, that it is in the interests of this country that we should not kill the small shopkeeper. I see that my hon. Friend rather sneers at that observation of mine. I would assure him that, in my view, the whole structure of this country has been built up by the small shopkeeper, and I think it would be a great pity if we were to force the small shopkeeper out of business and have only large concerns. I say that quite sincerely.

The Bill before the House to-day would have the effect of closing a very large number of small shops. It has been said that the co-operative societies—and there are other people also—work an average of 48 hours a week. One week it may be 48, or 40 hours and the next week a little shorter or longer, but, on the

[Sir I. Salmon.]

average, it would probably be 48 hours a week. The hon. Gentleman will say that the co-operative societies are rigid, and do not have more than 48 hours. They can do that because they have large organisations. The point I want to make is that these facilities are not at the command of the small shopkeeper. He cannot organise his industry, shop, or business in the same way that a larger organisation can. You are, therefore, going to strike a very serious blow at the small shopkeeper in this country if you insist upon the rigid 48-hour week. I was rather surprised to hear the hon. Gentleman who spoke last suggest that I concur in the view that to carry out any sort of arrangement you must have a legal enactment. I do not agree. But what surprised me more was that he deprecated the idea of trying to create good fellowship with one's employés.

Mr. BANFIELD: May I point out that I did nothing of the sort. I do not deprecate feelings of good fellowship; I do my best to cultivate them.

Sir I. SALMON: I am within the recollection of the House. The substance of his speech, if it meant anything, was that it was not honest and desirable that an employer should talk to his employés and try and see if a certain ideal could be obtained. I can understand the mentality of certain hon. Members, because it is only in times of trouble between employers and employés that they are concerned, and it cannot seem to them that there can be good fellowship between employers and employed. I would say, as one who has had as large experience, and more than most Members of this House, in dealing with large numbers of employés, that no business can get on unless good fellowship exists. It is unfortunate that an hon. Member occupying the position of my hon. Friend should rather create the impression that, because an employer is out to show his employés that if they do certain things they can make greater progress, it is not proper. That is a very unfortunate statement. I do not want to labour the point. The hon. Gentleman rather suggested that there was no regard paid to the general employés of this country, and that they worked scandalous hours.

I suggest that a 48-hour week proposed by this Bill really means only working 45 hours. The promoters of the Bill, if he gives a little thought to it will realise that the small shopkeeper will take half-an-hour to prepare and open his shop and half-an-hour to close it and, therefore, you are going to say that the small shopkeepers may open for business only for 45 hours per week. Consider the case of a country district or a seaside town where the trade for eight months in the year is rather quiet. The staff is kept on, but their hours of work are not long and the work itself is not arduous. For the other four months of the year they may have to work much longer hours. If this Bill ever became law the effect would be that staffs would be reduced to the minimum and the full staff taken on only for the busy period. It would have the effect, I am sure, of introducing a system which most people deprecate—casual employment. If you make conditions arduous for the employer you will introduce a system into the trade of this country which will mean that a large number of men will be added to the ranks of the unemployed. Mechanism has been the means in no small degree of creating unemployment, and if you make conditions such that an employer will have to look for other means of giving service to his customers it may mean that you will introduce into this country a system which has already been introduced into America, a system of self service, where people serve themselves. The consequence of such a system would be that less staff would be required and thus unemployment would become greater. No one doubts the sincerity of the hon. Member who introduced the Bill, although one may not always agree with his views, but I am afraid that his Bill would add to the amount of unemployment. I think he ought to have added a paragraph to the Bill and called it an Increase of Unemployment Bill, because the real effect of the Measure, if it became law, would be to increase unemployment, not to decrease it.

The amount of profit in the distributive trades owing to competition is cut to a very small figure. Every successful industry must give service if it is going to maintain its business and, therefore, the suggestion that you should limit the hours which employés shall work and have no regard to the fact that a large portion of the time is a slack period, if you are to have no regard to the slack periods of the year and the busy periods of the year, and say that the employé must be paid so much more for overtime it will mean, either that the basic wage of the employé must be less or that during the slack period fewer persons must be employed. If the same number of people are to be employed and paid extra money during the busy period someone will have to pay for it; and that someone is the public. If you charge extra to the public, if you charge higher prices, you lose customers and, consequently, there will be more unemployment. I cannot see any virtue in this Bill, nor can I see the necessity for it. It will increase the ranks of unemployment, it will not help industry, and, therefore, I am strongly opposed to it.

2.41 p.m.

Mr. HACKING: I interrupted the hon. Member for Caerphilly (Mr. Morgan Jones) when he was making his speech because I felt that quite unconsciously he was giving the impression to the House that the provisions of the Bill were based on a unanimous Report of the Committee which was set up in 1930, and I thought it right that the House should know the facts. The major provisions of the Bill are based upon the majority recommendations of the Select Committee on Shop Assistants which reported in 1931. There were 11 members on that Committee, which was appointed by the Labour Government, and five of those members disagreed with the two main provisions of this Bill. They disagreed with the possibility of having a 48-hour week, and with the recommendation that overtime should be paid at not less than one-and-a-quarter times the normal rate of employment. I emphasise that one-and-a-quarter times; for in the Bill it says that the hours of employment shall be paid at a rate of not less than one-and-a-half times the normal rate of employment. Those are the two main provisions of the Bill, and it should be remembered by the House that these two main provisions were not the unanimous recommendation of the Committee, but were only agreed to by a small majority.

What does the Bill seek to perform? The normal hours of employment are to be cut down to 48 hours per week. Overtime can only be worked if specially sanctioned by the local authority, in certain cases by the Secretary of State for the Home Department, and overtime so sanctioned must be paid for at one-and-a-half times the ordinary normal rate. Local authorities are able to fix closing hours earlier than 7 o'clock. I suppose that Clause 8 of the Bill means that a local authority could compel shops to close at any hour during the afternoon. And this is what the hon. Member for St. Rollox (Mr Leonard) calls protection! That may be protection for some people, but it is certainly not protection for the general public. The hon. Member for St. Rollox said that this was a Bill that was giving protection, and that he could not understand why we on these benches, who believe in protection, should oppose the Bill. My retort to him is that I am a little confused that his party which believes in the form of protection that is given in the Bill should in its turn oppose the form of protection in which we believe.

We had a very interesting speech from the hon. Member for Wednesbury (Mr. Banfield). He justified the Bill by asking what was the good of setting up a Committee and not acting upon its recommendations? I reply that the Labour Government themselves did not appear to be very anxious even to set up the Committee, for they gave a promise to appoint the Committee in March, 1930, and the Committee was not set up until November of that year. In any event, I disagree with the hon. Member's suggestion that in every case we on this side, although there has been a change of Government, should adopt the recommendations made by a Committee set up by the Labour Government. We are certainly not prepared to do that.

The provisions of the Bill may or may not be desirable from the shop assistants' point of view, but it is our duty also to consider the public. In theory, the hours of employment of adult shop assistants are unlimited. The Mover of the Second Reading inferred, I think, that the hours under the Acts now on the Statute Book were, in fact, the hours that are being worked to-day. He referred to 74 hours per week which could be worked by young people. He must admit that there are only very exceptional cases in which such hours are being worked. Because we have on the Statute Book an Act which limits the hours to 74 for young people, we must not consider that

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of necessity that is the time that is being worked by these people. Of course, that is not so.

Mr. MORGAN JONES: The only reference I made to the 74 hours was in a statement that 74 hours is the only statutory limitation of the hours of juvenile workers. I did not imply that all juvenile workers worked 74 hours.

Mr. HACKING: I quite agree, and I wish the House to realise that there are only very exceptional cases, if any, in which such hours are being worked. My point is that whatever theory we may deduce from an Act does not really matter. We have to look at what is happening in practice. If a person is allowed to work for 74 hours and is working for only 48, that ought to give us satisfaction. The statistics furnished in the Select Committee's Report prove that the majority of adults in shops are working between 48 and 60 hours a week, which is an average of approximately 54 hours a week. I repeat that we must consider the general public. But in saying that, I do not desire the House to imagine that the Government have no sympathy with shop assistants. We have. Everyone must have sympathy with every worker who is working unduly long hours.

Many shop assistants, and I suppose most shop assistants, might claim this Bill to be a good thing, but, even if it is a good thing, there are many good things which have to be rejected, especially at the present time, on the ground of expense alone. Even if this Bill were desirable on other grounds, it might still have to be opposed by the Government because it would entail on the part of both local authorities and the national Exchequer expenditure which cannot be afforded to-day. How would that extra expenditure be entailed? The hon. Member for Central Leeds (Mr. Denman) attempted to make the case that there would be very little, if any, extra expenditure if the Bill passed. I do not agree. I think there would be very considerable additional expenditure. Think of the elaborate machinery of national and local advisory boards. The enforcement of the limitation of hours clearly presents far greater difficulties than the enforcement of the present closing hours. Think of the inspection and the checking of registers. Think of the verifying of the hours worked by the individual members of the staff who happen to be on duty at any time. A large staff will obviously be required in order to carry out all this work of inspection.

One complaint that we frequently receive at the Home Office to-day is that the inspection under the existing Acts is insufficient. We are told that there is a non-enforcement of the existing Acts. The closing of a shop can be checked very easily from outside without going into the shop, but the restriction of hours in hundreds and thousands of shops would surely require an elaborate system of inspection and records. Look at Clause 4 of the Bill. There we see the revocation or amendment of a local Order by the Secretary of State. Surely the inquiry in connection with that alone would mean a great deal of extra staff at the Home Office. Clauses 5 and 6, dealing with the appointment of, and the consideration of recommendations by, the National Advisory Board, would also entail a great deal of extra work. Then there is Clause 11, dealing with the enforcement of the Shops Acts by the Secretary of State, to say nothing of the appointment of a factory inspector, whose qualifications would certainly not be suitable for enforcing this Bill. All these things must impose considerable burdens on the Home Office, and if they bring more work to the Home Office, it is obvious that that work would have to be paid for.

These are some instances of the extra expenditure which would be entailed by passing the Bill. But apart from the expense, which alone would make it difficult for us to accept the Bill, is the Bill really desirable? Let us ask ourselves some pertinent questions. Let us attempt to be practical. Putting the Bill to a certain test, in the first place will this Bill have the effect of increasing employment? I submit that it has little prospect in that direction. On the contrary Clause 1, by limiting the hours of employment and by creating the overtime system, and Clause 8 by indicating the possibility of shorter hours of opening, do one of two things. They either add to the cost of running the business or restrict the volume of business, and it is clear that additional costs or restriction of sales will not add to employment. Invariably these factors, far from creating employment, cause additional unemployment. Therefore, employment will not be helped if the Bill passes.

Another question which we may ask is: Will the Bill have the effect of reducing retail prices? If it does none of these things, there is not much use in attempting to put in on the Statute Book. As to its effect on retail prices, when you add something to the cost of running any business—everything else remaining the same—the additional cost has to be paid for by increasing the prices of the commodities for sale. This Bill cannot, then, reduce retail prices. Will it increase the wages of the shop assistants? Here again the answer must be in the negative. The employers might well have to meet the situation created under the proposals of the Bill by the payment of overtime rates. That is the only alternative for them, if they cannot work extra shifts. That, obviously, means additional expense, and a possible way of meeting that extra expense would be to reduce the basic rate of wages of the existing staff. There is nothing in the Bill which would prevent an employer from reducing the ordinary normal level of wages in order to make ends meet, if that should be the only way for him to achieve his purpose. I think I may fairly claim that the Bill will, certainly, not help to increase wages.

I hope I have convinced the House that the Bill has four consequences. It will cost additional money; it will not increase employment; it will not reduce retail prices and it will not increase the wages of shop assistants. I submit that by this Bill we might well be damaging, not only the taxpayer but the ratepayer, without, at the same time, conferring much, if any, benefit on the shop assistant. There is another question which we might ask ourselves before deciding how to vote on this Bill. Why should we, by Act of Parliament, distinguish shop workers from other workers in respect of the 48-hour week? Frankly, I cannot answer that question. The general policy of the Opposition surely is a little inconsistent. I understand from speeches which I have heard in the House and in the country from Members of the Opposition that they support the policy of the 40-hour week with the object, as I take it and has been frequently stated, of increasing employment. Yet they propose in this Bill a 48-hour week plus overtime for the same workers and it is difficult to see how we can increase the number to be employed by employing the same people for longer hours. When I first read the Bill I was surprised that there was no provision in it for fixing the ordinary rates of pay. I do not say that if there had been such a provision in it, that it would make the Bill any more acceptable, but I was a little surprised nevertheless that hon. Members had not gone the whole hog in that respect. We are told in Clause 7 (2):

> "It shall be an implied term of every contract for the employment of a shop assistant that where overtime is worked the shop assistant shall be entitled to receive additional payment at the following rates:—
>
> (*a*) for the first quarter-of-an-hour . . . not less than the ordinary rate . . . ;
>
> (*b*) for any further period or periods not less than one-and-a-half times such ordinary rates;
>
> (*c*) for time worked on Sunday . . . or for any statutory holiday or any customary public holiday not less than double the rate paid for normal working time."

Again, I draw attention to the fact that there is no provision for fixing the ordinary rates. We are simply told that the overtime rate shall be 25 per cent. or 50 per cent. over the ordinary rate. The ordinary rate not being fixed, I suggest that it could easily be juggled with and manipulated so that the total wages paid to any shop assistant, working even 60 hours, need not be any higher than the total wages at present being received. In fact the Bill is so loosely drawn that the whole provision for reckoning rates of overtime might be valueless and unenforceable.

I think I have said enough to show that at least this Bill has some weaknesses. I should like to close however on a rather more hopeful note. There have been many requests from all sides of the House that the Government should give some consideration or reconsideration to the position of the young shop assistant under 18 years of age. There have been many expressions of sympathy with these young persons and the Government do not desire to take up a completely *non possumus* attitude towards this whole question. The hon. Member for Caerphilly expressed his sympathy with these young persons as

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also did the hon. and learned Member for Lowestoft (Sir G. Rentoul) and the hon. Member for North Hammersmith (Miss Pickford) who said she hoped the House would be as unanimous in support of these young people as had been the Select Committee. The hon. Member for Central Leeds also supported this appeal. That was one point on which there was agreement in the Select Committee. I think they were unanimous in recommending a statutory limitation of the hours of employment of young persons as shop assistants. At present the maximum of 74 hours, including meal-times, under the provisions of a very old Act is certainly not applicable to the conditions of to-day. This old Act gives inadequate protection for the young person, and undoubtedly, as I have said, requires reconsideration. As a matter of fact, I am glad to be able to tell the House—and probably the hon. Member who, I believe, will follow me knows this already—we are at this moment giving close consideration to this aspect of the case. Discussions with trade organisations are at present proceeding and have, I understand, been proceeding for some little time past. I can, of course, give no pledge to-day in respect of legislation regarding these young persons. I can only say that this side of the question, which is a very important one, is receiving the active and sympathetic consideration of the Government.

The House realises, from the criticism that I have attempted to make in connection with the Bill, that the Government are going to oppose its Second Reading. During the debate on the Second Reading of a private Member's Bill only a fortnight ago, the hon. Member for Westhoughton (Mr. Rhys Davies) was good enough to congratulate me on the appointment which I had then only held for a few days, and he used some extraordinary language in his congratulatory remarks. I should like to give his exact words. He said:

> "I wish, however, that he was a Minister in a very much more intelligent Government, but of course that is not his fault. I hope that with his entry into it the Government will be less stupid than they have been in the past."—[OFFICIAL REPORT, 3rd March, 1933; col. 718; Vol. 275.]

With the Government's decision to oppose this Bill, I hope the hon. Member will realise fully that the Government are less stupid than they have been in the past, than at any rate a Government was which was in existence two years ago. I trust that he has already seen that great improvement which he obviously desired to witness, and I hope he will agree—in fact, I am sure he will, if he thinks this matter over with great care—that the decision which the Government has reached in connection with this Bill is, far from being stupid, an intelligent and a wise decision, and in reality the only possible decision that any sensible Government could take under the circumstances of to-day.

3.7 p.m.

Mr. RHYS DAVIES: My first obvious duty is to congratulate my hon. Friend the Member for Caerphilly (Mr. Morgan Jones) for implementing his luck in the ballot by adopting the principles of this Measure, and I venture to convey to him, on behalf of at least 200,000 shop assistants, organised in two trade unions, their thanks for his daring and for the very good piece of work that he has done to-day in helping them, at any rate in their propaganda work.

I hardly expected any other reply from the Government than the one to which we have just listened. If 2,000,000 or even 200,000 farmers, came to this Government and asked for anything to be done for them, there would be no argument about cost, no argument about intricacies of machinery, no argument about 3,000 inspectors, just as there has been no argument about the increase in staff to deal with tariffs on grapes and other foreign commodities. All these difficulties would be set aside at once, but when 2,000,000 shop assistants, the most helpless section of the working class—and they are the most helpless, as I will be able to show later on—come to them, as they do not belong to the class that makes up the Government, they find the door slammed in their faces. That is exactly the position.

Let me deal with one or two of the arguments that the right hon. Gentleman has employed in replying to the discussion. He criticised the provision in the Bill dealing with earlier closing than seven o'clock. Surely he must be wrongly advised in the criticism that he made, because all that this Bill would do would be to provide exactly the same procedure for closing at six or earlier as is now employed for closing at seven. The right hon. Gentleman knows very well the procedure at the moment, that the shopkeepers themselves, in conjunction with the local authorities, determine very largely the hour of closing. His criticism was a little unfair on that score.

Mr. HACKING: I think that the public ought to have consideration in that matter.

Mr. DAVIES: I worked in a shop when the public used to come in at 11 o'clock on Saturday nights. When the War came the public did not matter, and the shops were closed at 7 or earlier irrespective of their wishes. Now shops are closed at 6, and some at 1 o'clock on Saturdays, irrespective of the desires of the public, because the shopkeepers want them closed and the local authorities have issued orders to that effect. If shop workers are to have their conditions of labour determined always by what the public want, shops would be opened every week day and every night and on Sundays as well. If they were kept open even on Sunday nights there would be some members of the public who would go in just to have a look round. We must not view the subject from that point of view.

I will give the House a typical example. When I worked in a shop, we closed at 11 on Saturdays, and there were six old ladies who always came in at three minutes to 11. When we closed at 10 o'clock, they came in at three minutes before closing time. When we closed at 9, at 8, at 7 and at 6 they always came in three minutes before we closed. Twenty-five years afterwards I went down to see the shop and I inquired what had happened to the six old ladies, and I was told that they had departed this life and had landed in Paradise just three minutes before closing time.

There are some members of the community who always go into shops late, and whatever the closing time there will always be somebody there when the door is about to be closed. From Sir Charles Dilke to Lord Brentford every Home Secretary has taken a kindly, almost paternal interest in shop assistants, and I will tell the right hon. Gentleman now why I said that shop assistants were the most helpless section of the community. There are more young people being used up in the distributive trades than in any other industry. There are more women and young persons employed in the distributive trades at any given time proportionately to the whole than in any other industry and they are helpless. There are cases where, if a shop assistant dares to join a trade union he will be dismissed, not because the employers are more callous than in any other industry, but because there is a greater familiarity between shop assistants and their employers than there is in the factories and mines. In factories and coalmines the workers often do not know who their employers are, but in the shops the employer generally takes an intimate personal interest in his business.

Mr. HACKING: Is the hon. Gentleman inferring that everybody is helpless who does not happen to be a member of a trade union?

Mr. DAVIES: Definitely yes; and if the right hon. Gentleman does not believe me, I ask him why lawyers and doctors have joined a trade union.

Mr. HACKING: I am not a member of a trade union, and I am not helpless.

Mr. DAVIES: Of course, the right hon. Gentleman has got money. A man without riches must join a trade union if he wants to protect his interests. The right hon. Member mentioned the exceptional cases in this Report. I was a member of the Select Committee, and we had a great deal of evidence on this point. Let me say something about the argument that we should not pass this Bill because the cases quoted by my hon. Friend are exceptional. Who is to prove that they are exceptional? In view of the ramifications of the distributive trades there is not a man in this land who could say that those cases are exceptional. Whether they are exceptional or not, I think it can be proved very definitely that the conditions of employment in the distributive trades are worsening with the depression that is upon us. Further, Sunday trading is increasing all over the land, and in view of that factor, something ought to be done to deal with conditions of employment in shops.

On the question of the possibility of the Bill increasing employment, I believe it is open to argument as to whether a reduction of hours does actually increase employment or not, but my personal view is that unless the hours of labour are decreased proportionately to the advance of science and rationalisation we shall soon reach the stage in this country when one half of the population will be at work and the other half will be standing idly by looking on. I thought, when the right hon. Gentleman was taunting us with not having included Washington Hours Convention in one Bill, that he understood more about the terms of that Convention. The hon. Member for Macclesfield (Mr. Remer) rather implied that the Convention covered shop assistants. It does not. It deals simply with the industrial working population, and does not apply to domestic trades, and shop assistants are included in the domestic trades.

Mr. REMER: Can the hon. Gentleman tell us where the industrial system ends and where the distributive system begins?

Mr. DAVIES: I am sure it is well understood that the industrial population does not include those employed in shops and offices, anyhow.

Mr. REMER: Is the hon. Gentleman aware that in many shops people are employed in making garments of many descriptions?

Mr. DAVIES: Yes, and if the hon. Member were more enlightened on the subject he would know that those are covered by the Washington Hours Convention. Everybody employed in a factory or in the manufacture or repairing of clothing in a shop is covered by the Washington Hours Convention, but shop assistants have always belonged to the domestic service class, and are not covered at all by the Convention.

Mr. HERBERT WILLIAMS: Why?

Mr. DAVIES: I am not here to answer that question. The right hon. Gentleman made another remark about wages. I have never seen the wages problem work out as he indicated. I think it can be proved on inquiry that it is where the number of hours are shortest in the distributive trades that the wages are highest. I think that is always the case, paradoxical though it may appear. Let me make this observation in passing. This Bill would hardly affect at all the best employers in the distributive trades. I pay my tribute to those enlightened shopkeepers who have improved their organisation, because organisation has more to do with the wages bill in the end than anything else. They have done a tremendous amount of work not only in easing conditions and reducing the hours of labour but in keeping up the standard of wages as well. I do not know whether I am giving any information to the hon. Gentleman, but those employers who work their staff the least number of hours a week also pay the best wages and provide the best conditions for their employés.

Every piece of legislation which has been enacted by Parliament has been passed in order to safeguard the good employer against the irritations and unfair competition of the bad employer. That is exactly what we are doing here. The strangest argument that has been used to-day has been that about the poverty of the distributive trade. I would remind them that, when we were dealing with the farmers, the distributive trade was then said to exploit the producer unnecessarily, and that too much profit from the common pool was going to the distributor. That is the argument that is used when the Government are dealing with something in favour of the farmer. If there is one industry in this land that can afford decent conditions of employment and a maximum of 48 hours a week, it is the distributive trade. I am not speaking of the small shopkeeper, but of the large employer.

Mr. H. WILLIAMS: Who will not be affected by this Bill.

Mr. DAVIES: I am not sure about that.

Mr. WILLIAMS: You have said it.

Mr. DAVIES: If they are good employers they will not, but some large employers may be bad employers. Let me give figures in regard to some of the biggest distributive firms in the land, and let us see what they do. Marks and Spencers in 1931 paid a 30 per cent. dividend; in 1930 they paid 20 per cent. Take Woolworths: their profit last year was nearly £4,500,000 and their dividend was 70 per cent. Surely there can be no argument about the poor distributive trade not being able to meet the provisions of this Bill.

Mr. HACKING: Has the hon. Member got the turnover of those firms?

Mr. DAVIES: Surely the dividend paid on capital should have no relation to the volume of trade. Moreover, I know of no means whereby you can find out the trade of those firms. You can find out their profits and their dividends, but I know of no means of finding out their trade returns. If they exposed their trading returns they might not get any more capital—or some of them. The right hon. Gentleman will perhaps understand that. Take Lewis & Co. in Liverpool. They are very large employers of labour too, and they are doing well. I repeat that I very much doubt if the best employers in the distributive trade would oppose the main provisions of this Bill.

Let me come to the point raised by the right hon. Gentleman about children and young persons. I have heard that argument before, and I expected it to be trotted out to-day from every quarter of the House. Hon. Members have said to-day "If the Bill was drafted on different lines, we would willingly support it." If we had drafted it on the lines that they now suggest, hon. Members would still have argued that the time is not opportune. For some Members of the Tory party there is no opportune time to do anything for the working-class. There will, however, be an opportune time for the working-class to say something on this issue at the next Election. That will be a very opportune time. I was rather astonished to hear the hon. and learned Member for Lowestoft challenging some of the decisions of the Select Committee. He will find that he himself voted for some of them. He may have had qualifications and reservations in his mind, but, when the Vote was taken, he supported them. I am a little astonished that to-day he rather denounced the whole of the Report. He indicated in his speech that the Recommendations of that Committee were not based upon the evidence; that is exactly what everybody says when he puts his own case forward against any recommendation.

I am very anxious that the House should consider two factors in the situation. There is only so much distributive trade to be done, whatever the hours of labour in shops. The hon. Member for South Croydon (Mr. H. Williams) is a little too clever in his interruptions. Perhaps he will be able to explain to the House, when I sit down, how he can extend the volume of trade in this country by keeping shops open every hour of the day and night, because that is his suggestion. I repeat that there is only so much trade to be done in this country, and it can be done as effectively within a 48-hour week as it can within an 84-hour week. In fact, it is just a very bad habit to shop late.

No one can stand up in this House and say that the problem with which we are dealing to-day is affected by foreign competition. I cannot see any lady going down Bond Street and, if she cannot find what she wants in a shop window there, flying over to Paris. She must do her shopping, in the main, here. The goods may be purchased abroad, but they are sold retail here, anyhow. Consequently, that argument will not apply. The hon. Gentleman who moved the Amendment made one observation that I could not understand. He said that you cannot put employés on and off at your will. Surely, he has not seen very much of industry in this country if he believes that to be the case. As a matter of fact, in most industries in this country employés are put on and off at the will of the employer. I have been in it myself, and know something about it, and I am sure that the hon. Gentleman is not correct about industry in general.

I trust that the House will at any rate give consideration to what was said by the right hon. Gentleman in the last few words of his speech. Whatever we may think about this Bill, and I very keenly support its principles, I would like to see a start made with a 48-hour week, not only for the sake of shop assistants, but because I dread to see the years coming when, as I already indicated, unless we reduce the hours of labour to conform with the march of science and the introduction of machinery, we shall not stop at 3,000,000 unemployed. I should like therefore, in this most easy industry, the industry that can afford it best, to see the hours reduced to a limit of 48. I rather liked what the right hon. Gentleman said about children and young persons, and I hope that the Home Office will tackle that

[Mr. Davies.]

problem very soon, because no hon. Member who has criticised this Report can fail to come to the conclusion that that issue brooks no delay at all. We shall probably be beaten in the Lobby to-day, but, if we have done nothing else except to focus attention on these vital issues, we shall be satisfied with what we have done.

3.29 p.m.

Mr. H. WILLIAMS: It is always a privilege and pleasure to be permitted to follow the hon. Member for Westhoughton (Mr. Rhys Davies). First of all, he always says what he has to say so pleasantly, and, also, he always affords whoever follows him suitable opportunities for comment and criticism. The hon. Member said that there were 2,000,000 shop assistants. I think he slightly overstates the figure, but it is not too far away from that total. He referred to them as a very helpless class, for whom the Government will do nothing because they do not belong to that class. For once the hon. Member was really not playing up to the best of his form. I am quite satisfied that a very large proportion of that class of people are to be counted among those who normally support the parties of which the present Government is composed. A very large proportion of the people with whom I have been actively associated in politics have been drawn from the shop assistant class. He was contrasting them with an unspecified number of farmers whose demands, he said, would be conceded at once. If he was addressing an agricultural audience, I do not think he would get that impression. He spoke as if the public was some mysterious body of people to which none of the working-classes belong. "Working-classes" is an unfortunate phrase, but we know what it means. Does he separate the public from the working-classes? He was speaking as if this evil community, known as the public, which creates these conditions, had nothing to do with the class that he was seeking to protect.

He went on to say that shop assistants are very poorly organised, which means that not many of them are trade unionists, and that, if a shop assistant wants to join a trade union, he is dismissed. He drew a picture of tyranny which had not the slightest foundation in fact, and he knows it has no foundation in fact. The ordinary shop assistant does not want to join a trade union because he does not see why he should waste his money in that direction. He would rather go to the pictures. That does not mean that trade unionism is not a valuable institution when it does its job properly. Let us see what has happened in the last 10 years. The number of unorganised shop assistants insured against unemployment increased by 58 per cent. between July, 1923, and July, 1932. What happened in the same period to the most highly organised trade, the coal miners. Have they increased their number of insured workers? No. If you want to find a declining industry, take one that is highly organised. If you want to throw your people out of work, organise the industry, and you will organise it out of existence. It is true that those districts from which migration is taking place are precisely the districts which the party opposite dominates. If you want to find where the march of human beings is going, it is from Socialist to Tory constituencies, because they think there is a better chance of getting a job.

We were threatened by the hon. Members with what would happen at the next election if we have the courage to speak against the Bill. That was rather a dangerous thing for him to raise, because this is the Report of the Select Committee. Charles Buxton, William Hirst, Philip Oliver, James Stewart, and Arthur Taylor were among the majority. The only one whose name I cannot read, because it would be breaking the rules of the House, and whom I must describe as the hon. Member for Westhoughton, is the only survivor. Where are all the others who signed the Majority Report on which the Bill is founded? It is a little rash to suggest that that is the proper test. Then the hon. Gentleman says there is only so much trade to be done. That is a defeatist doctrine that exists far to much throughout the world. I believe there is no reasonable limit to the quantity of goods to be produced, distributed and bought. You have at this moment restriction of consumption and a corresponding restriction of production and an apparent glut, because of a variety of causes which have checked the normal flow of commodities, but I hope the hon. Gentleman is not going to preach to us the defeatist doctrine that there is this limitation. I am satisfied that there is no such limitation. You only have to walk from here to Trafalgar Square, and most people you meet would like to buy a new suit of clothes if they had the money. It is no use saying there is a surplus of commodities.

Mr. DAVIES: Whatever sum of money is available for purchase, it can still be spent within the 48-hour week.

Mr. WILLIAMS: If you increase the relative cost of distribution, you may check consumption. You can examine the index numbers of wholesale prices. There is a variety to choose from—the "Economist," the "Statist" and the Board of Trade index numbers. See what happened to them between the maximum level in May, 1920, and the present day. Then examine the index number of retail prices. It is true that they are not strictly comparable, because they do not entirely relate to the same things. Everybody knows that there has been a very much more rapid fall in wholesale prices than in retail prices, partly because—we have to realise it—personal payments, whether wages or salaries, are more sticky than commodity prices and do not respond. The additions to primary commodities in process of manufacture make the wholesale prices of manufactured articles less liable to fluctuation, and, when you get distributive charges, you have that enormous spread between wholesale and retail prices, which, in the opinion of a great many people, is the oustanding cause of unemployment in the world to-day. If it is true—and I believe that it is—are we going to make things better or worse if we do anything to increase the spread between wholesale and retail prices.

Everyone knows that though this Bill might be a suitable Bill for prosperous times, at this time it would increase the cost of retail distribution, increase relative prices, and therefore throw more people out of work. It is the kind of Bill which the Socialists invariably support when in opposition and take the utmost care that they shall not pass into law when they are in office. On the 21st March, 1930, there was in charge of business, not my right hon. Friend who is there now, but an old friend of mine, Mr. Alfred Short. We were very good friends. He beat me twice at Wednesbury. He explained that the enforcement of the Bill placed upon the local authorities would involve a heavy burden of responsibility. How the tone changes when the seats are changed! And then he said that he was instructed on behalf of the Government to say that they would set up a Committee, which is always the way out when in doubt. He said:

> "I am specifically instructed to say that this suggestion, which is made on behalf of the Government, is not a device for delay."—[Official Report, 21st March, 1930; col. 2381, Vol. 236.]

On the 15th April they announced that the form of inquiry was to be by Select Committee. On the 8th May they appointed the Select Committee, and then the Committee got to work, and the hon. Gentleman the Member for Westhoughton was a member of it. They worked with such enthusiasm that they had not finshed the job when the Session came to an end, and they had to report that they had not been able to finish it. They begged to be reappointed and that what they had done might be resubmitted to them. They went on and on, and with good fortune reported on 18th September, 1931, when the majority knew that there was not a chance of legislation being based on their Report. Not to be a device for delay! If I believed in a thing I should work for it as if I believed that it would go through.

Their attitude is very similar to their attitude to the Washington Hours Convention. Since 1919 every successive Government has either said, "We will not ratify," or alternatively, "We will" and have taken care not to do so. That Convention would cover some of the people provided for in this Bill, but it would exclude most of them. The Washington Hours Convention relates to industrial undertakings, and they are defined in Article I. At that time they thought that it might be desirable to control the hours of employment in the rigid way of the Washington Hours Convention in respect of those people, and there was apparently complete unanimity that to apply the same principle to the distributive workers was impossible. The party opposite never had the determination even to give effect to the Washington Hours Convention. When they were in office in 1924 they introduced a Bill, and

[Mr. Williams.]

that was the end of it. In 1929, within three days of their taking office, and the hon. Gentleman opposite for the first time, I think, assuming office, their representative at Geneva was instructed to make the public announcement at the International Labour Conference that they would ratify that Convention, taking into account the London conversations of 1926, which involved an Amendment of the Convention, which meant that they could not ratify it.

That is the kind of method the party opposite adopt with regard to these things. They introduce these Measures, tell their people that the purpose is to liberate them from the tyranny of the capitalist, and then when they get into office and discover the real problem with which they are faced, they dodge the issue and use this and that device to explain why this thing for which they sought election is in fact impossible; it would place a heavy responsibility on the local authority, the Bill would need Amendment, it was necessary to have an inquiry, it was not to be a device for delay, and then 18 months pass between the time of announcing the committee and the committee reporting, and within a few days the House has been dissolved, so that there is no danger of any trouble. I happen to represent, I suppose, more shopkeepers and shop assistants than the hon. Member for Westhoughton. I daresay he has occasionally visited my constituency, which contains some of the finest suburban shops you can find in any part of London, and some of those shops, I believe, employ 700 or 800 workers. One would think that if there were this burning and blazing enthusiasm for the Bill, I should have received a large number of communications from them. I have received none. I have had three or four from people who do not like the Bill.

I have in my constituency a very large branch of the South Suburban Co-operative Society who have been given to passing Resolutions on every conceivable subject under the sun, such as the export of arms to Japan and China. On every kind of trouble throughout the world, I get communications from the South Suburban Co-operative Society. I hope they are satisfied with my replies, but I should not think they are. There has not been a single communication on this subject.

Mr. RHYS DAVIES: Surely all the co-operative employés of this country work 48 hours a week or less?

Mr. WILLIAMS: And it is also true that the vast bulk of the capitalist employés normally work, roughly speaking, the same hours of labour. We are considering by this Bill whether we are to put people in a strait jacket—not whether the normal conditions which exist to-day in general are not reasonably satisfactory. The position is whether you are going to pass into law a Bill which might make the conduct of business nearly impossible, and I am amazed that the South Suburban Co-operative Society, who communicate with me with such frequency on every conceivable subject under the sun, which has no relation to them as co-operators but only as normal citizens, did not send to me a communication at all on this matter when they do not happen to be employés but employers.

Mr. LEONARD: It may be desirable on their part to exercise a little economy and save time.

Mr. WILLIAMS: But if a society never fails to send me, as I think, rather stupid Resolutions on every kind of subject outside their normal purview, I am a little surprised that they abstained from sending me a communication on something which really relates to their daily business. The implication is that the co-operative movement as a whole does not find any particular enthusiasm for this Bill. I think it was both the Under-Secretary of State and the hon. Member for Harrow (Sir I. Salmon) who pointed out one of the consequences of the Bill. This is not a Bill to limit hours to 48, but a Bill to provide for overtime at certain rates, because, obviously, in the long run, what would happen would be that in nearly every case the local advisory council to be set up under this Bill would authorise overtime in accordance with the overtime rates laid down in the Bill. What is the position? In the long run, the rates of pay of people in every occupation are to some extent determined by the efficiency of the average, and not by the very good establishment or the very bad establishment.

Obviously, if you impose these restrictions, the average shop is going to be put in a slightly worsened condition. You are going to bring about a reduction of the basic rate and so, in the long run, you get people back to where they are to-day. If that is not achieved, you will increase that gap between retail and wholesale prices, and you will aggravate the situation. Excessive hours are very stupid. I do not believe in working them myself, although we all work stupidly long hours in this House. I have never tried to impose stupidly long hours upon anyone. In the long run, I believe, long hours can be avoided by the exercise of common sense. But there are times of emergency when it would be intolerable if the only way to meet them was by someone having to seek permission of someone else outside his own business. That has always seemed to me quite intolerable.

Although strictly speaking the Bill is outside the scope of the Washington Hours Convention, it gives a picture of the mentality of those who favour this kind of legislation. A person may want permission to do an act which is a reasonable act, but which would be unlawful for anybody to do unless he got permission. It is quite obvious that if you proceed with this kind of legislation you will deprive a great number of people of the employment which they at present enjoy. The hon. Member for Westhoughton (Mr. Rhys Davies), in a recent Debate, stated that in distributive trades, customers are more exacting in their demands than they were, and that there was a greater demand for service, spelled with a capital "S"; that, as a result, of this increase of service the whole cost of distribution in this country had increased to a very substantial extent. I believe he was right. I believe that what he said explains to some extent why there has been in the last nine years this increase of 58 per cent. in the number of persons insured against unemployment.

It is also true that at this moment the distributive trades are suffering from a degree of unemployment which for them is unusual. I have not yet got figures up to the end of February, but at the end of January, there were 1,750,000 persons, or thereabouts, employed in the distributive trades. There would be a certain number covered by this Bill, but there are others who would fall into the category of insured domestic servants. Of the 1,750,000 insured persons in the distributive trades, 13.4 per cent. were unemployed at the end of January. That compares with 23.1 per cent. of persons unemployed in the whole range of industry, including those in the distributive trades. The distributive trades have been much more fortunately placed than the bulk of the other trades of the country.

It is also true that the enormous growth which has taken place in recent years, certainly between 1923 and 1931, has undergone a change. That rapid expansion of employment has come to an end and now, for the first time, there is a substantial measure of unemployment amongst shop assistants. Hon. Members have no doubt received letters from shop assistants, who are finding themselves out of employment for the first time, asking them to find them a job. That is a new phase. At a time when this extension of employment has undergone a check it would be unwise to pass a Measure which inevitably must have the effect of increasing the cost of distribution, hamper the conditions under which distribution is carried on, and, as a consequence, create more unemployment in a trade which for the first time is suffering from unemployment. I join with those who oppose the Bill and if we proceed to a Division I hope it will be defeated by a solid majority.

3.52 p.m.

Sir WILFRID SUGDEN: I have had the privilege of listening to the whole of this Debate, and have heard the various view points which have been put forward in respect to the application of the Bill. We must admit that the status and conditions of life which obtain in respect of shop assistants are certainly not ideal, and I regret that the contribution of the Bill to their status and to their future is such, in my judgment, as will not lead to their betterment; and, what is most essential, will not lead to the betterment of trading in the future throughout this country. Only one hon. Member this afternoon has said anything about the future system of trading. It has been suggested that the co-operative movement requires a certain amount of close scrutiny; and a sense of depreciation and disparagement in certain circles is often unwarranted. I stand self confessed, and without any shame, as a co-operator. I have been associated with the movement

[Sir W. Sugden.]

for more than 20 years and I do not find it necessary to apologise for my association with it.

It has been suggested that the co-operative movement may be the last word in supplying the public with what it requires, in a retail sense, but I join with the hon. and gallant Member for Harrow (Sir I. Salmon) in believing that what we have to face, in respect of the retail supply of goods, is the American system: I say, however, a conjoint system of the American and German system is the future of retail trading, and to my mind it spells the elimination of the human employé, in respect of the supply of goods which the public require and desire. The Bill puts certain definite proposals before us in respect of the old-time system of trade and of supply, and if this was a suitable time and opportunity I could in the course of three quarters of an hour, or an hour, show—and I think it would have been admirable and useful if this House had had a correct survey of the methods of trading which have obtained from the fourth century in this country. But I do not think the present moment is opportune. I, like other members of my party, am neither retrogressive nor decadent in my viewpoint for the future of the British shop assistant. No hon. Member has discussed to-day the future method of supplying the man in the street with that which he requires. No one has mentioned the position that is now being assumed by this conjoint, automatic American-German system, under which a customer puts 6d. in a box, pulls a handle, and receives what he wants. The American-German method means simply walking into one of the large emporiums, passing the turnstile and taking what one wants. Under this American-German system 16 assistants are being discharged for every one where these automatic machines installed. The spread of such a system will have the effect of eliminating from our shops those men and women who in the past have so splendidly served us. And for what? A turnstile, with a gentleman in uniform covered with braid, who will check the material from a catalogue, pass a check and then another receives the money as per the amount shown upon the check.

I know that the hon. Member who introduced this Bill has mental efficiency and a trained brain for dealing with these matters. I regret that to-day some insidious influence seems to have been placed upon him so that he did not present a Bill to the best advantage of his ideal. Returning to the issue of the co-operative movement in relation to this Bill. When I think of the great and splendid groups of working men and women who, with savings from their hard-earned wages, have set up the system of co-operative shopkeeping, I feel I would have preferred to have supported a Bill which would have introduced the co-operative movement in its more idealistic form, so that there might be an opportunity for those who are employed, an opportunity to supply the people——

Mr. MORGAN JONES *rose in his place, and claimed to move,* "That the Question be now put."

Mr. SPEAKER *proceeded to put the Question,* "That the words proposed to be left out stand part of the Question."

Major COLFOX: On a point of Order. Did I not understand that the hon. Member for Caerphilly (Mr. Morgan Jones) rose to move that the Question be now put?

Mr. SPEAKER: That is so, but I understood that the hon. Member for West Leyton (Sir W. Sugden) had finished his speech.

Sir W. SUGDEN *rose*——

Question put, "That the Question be now put."

The House divided: Ayes, 38; Noes, 119.

Division No. 86.] AYES. [4.0 p.m.

Adams, D. M. (Poplar, South)
Attlee, Clement Richard
Banfield, John William
Batey, Joseph
Brown, C. W. E. (Notts., Mansfield)
Cayzer, Sir Charles (Chester, City)
Cocks, Frederick Seymour
Cove, William G.
Daggar, George
Davies, David L. (Pontypridd)
Davies, Rhys John (Westhoughton)
Dobbie, William
Edwards, Charles
Evans, Capt. Ernest (Welsh Univ.)
George, Megan A. Lloyd (Anglesea)
Gillett, Sir George Masterman
Greenwood, Rt. Hon. Arthur
Grenfell, David Rees (Glamorgan)
Grundy, Thomas W.
Hall, F. (York, W.R., Normanton)
Hall, George H. (Merthyr Tydvil)
Hirst, George Henry
Jenkins, Sir William
Jones, J. J. (West Ham, Silvertown)

Jones, Morgan (Caerphilly)
Lansbury, Rt. Hon. George
Leonard, William
Lunn, William
McEntee, Valentine L.
Nicholson, Godfrey (Morpeth)
Parkinson, John Allen
Price, Gabriel
Thorne, William James
Tinker, John Joseph
Wallhead, Richard C.
Williams, David (Swansea, East)
Williams, Dr. John H. (Llanelly)
Williams, Thomas (York, Don Valley)

TELLERS FOR THE AYES.—Mr. G. Macdonald and Mr. Groves.

NOES.

Albery, Irving James
Applin, Lieut.-Col. Reginald V. K.
Atholl, Duchess of
Balfour, Capt. Harold (I. of Thanet)
Betterton, Rt. Hon. Sir Henry B.
Bossom, A. C.
Bracken, Brendan
Briscoe, Capt. Richard George
Brocklebank, C. E. R.
Brown, Brig.-Gen. H. C. (Berks., Newb'y)
Burghley, Lord
Cadogan, Hon. Edward
Campbell, Edward Taswell (Bromley)
Campbell, Vice-Admiral G. (Burnley)
Campbell-Johnston, Malcolm
Caporn, Arthur Cecil
Carver, Major William H.
Castlereagh, Viscount
Cautley, Sir Henry S.
Cazalet, Thelma (Islington, E.)
Clayton, Dr. George C.
Colfox, Major William Philip
Cooke, Douglas
Cooper, A. Duff
Craddock, Sir Reginald Henry
Davison, Sir William Henry
Duggan, Hubert John
Duncan, James A. L. (Kensington, N.)
Eastwood, John Francis
Emmott, Charles E. G. C.
Entwistle, Cyril Fullard
Erskine, Lord (Weston-super-Mare)
Fox, Sir Gifford
Fuller, Captain A. G.
Gluckstein, Louis Halle
Goff, Sir Park
Goodman, Colonel Albert W.
Grattan-Doyle, Sir Nicholas
Grimston, R. V.
Gritten, W. G. Howard
Guinness, Thomas L. E. B.
Hacking, Rt. Hon. Douglas H.
Hanbury, Cecil
Hannon, Patrick Joseph Henry
Headlam, Lieut.-Col. Cuthbert M.
Henderson, Sir Vivian L. (Chelmsf'd)
Hope, Capt. Hon. A. O. J. (Aston)
Hornby, Frank
Howitt, Dr. Alfred B.
Hudson, Capt. A. U. M. (Hackney, N.)
Hume, Sir George Hopwood
Hunter, Dr. Joseph (Dumfries)
Hurst, Sir Gerald B.
Joel, Dudley J. Barnato
Kerr, Lieut.-Col. Charles (Montrose)
Kirkpatrick, William M.
Lindsay, Noel Ker
Lister, Rt. Hon. Sir Philip Cunliffe-
Lockwood, John C. (Hackney, C.)
Lumley, Captain Lawrence R.
McCorquodale, M. S.
McKie, John Hamilton
Maitland, Adam
Margesson, Capt. Rt. Hon. H. D. R.
Marsden, Commander Arthur
Mayhew, Lieut.-Colonel John
Meller, Richard James
Mitchell, Harold P. (Br'tf'd & Chisw'k)
Moore, Lt.-Col. Thomas C. R. (Ayr)
Moreing, Adrian C.
Morrison, William Shepherd
Nall-Cain, Hon. Ronald
Nation, Brigadier-General J. J. H.
Nunn, William
O'Connor, Terence James
O'Donovan, Dr. William James
Ormsby-Gore, Rt. Hon. William G. A.
Penny, Sir George
Petherick, M.
Pickford, Hon. Mary Ada
Pownall, Sir Assheton
Ray, Sir William
Reid, David D. (County Down)
Reid, William Allan (Derby)
Rentoul, Sir Gervais S.
Rhys, Hon. Charles Arthur U.
Ross, Ronald D.
Runge, Norah Cecil
Russell, Alexander West (Tynemouth)
Salmon, Sir Isidore
Samuel, Sir Arthur Michael (F'nham)
Sandeman, Sir A. N. Stewart
Savery, Samuel Servington
Shaw, Helen B. (Lanark, Bothwell)
Slater, John
Smiles, Lieut.-Col. Sir Walter D.
Smith-Carington, Neville W.
Smithers, Waldron
Somerville, Annesley A. (Windsor)
Southby, Commander Archibald R. J.
Stanley, Lord (Lancaster, Fylde)
Stanley, Hon. O. F. G. (Westmorland)
Stuart, Hon. J. (Moray and Nairn)
Sugden, Sir Wilfrid Hart
Summersby, Charles H.
Tate, Mavis Constance
Thomson, Sir Frederick Charles
Todd, Capt. A. J. K. (B'wick-on-T.)
Wallace, Captain D. E. (Hornsey)
Ward, Lt.-Col. Sir A. L. (Hull)
Warrender, Sir Victor A. G.
Watt, Captain George Steven H.
Wedderburn, Henry James Scrymgeour-
Whiteside, Borras Noel H.
Williams, Herbert G. (Croydon, S.)
Wise, Alfred R.
Worthington, Dr. John V.
Young, Ernest J. (Middlesbrough, E.)

TELLERS FOR THE NOES.—Mr. Mitcheson and Mr. Remer.

It being after Four of the Clock, the Debate stood adjourned.

Debate to be resumed upon Monday next.

The remaining Orders were read, and postponed.

Whereupon MR. SPEAKER *adjourned the House without Question put, pursuant to Standing Order No.* 3.

Adjourned at Eight Minutes after Four o'Clock until Monday next, 20th March.

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TO THE

PARLIAMENTARY DEBATES

OFFICIAL REPORT

FIFTH SERIES—VOLUME 275

FOURTH VOLUME OF SESSION, 1932-33

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Where in the Index * is added with Reading of a Bill, or a Vote in Committee of Supply, it indicates that no Debate took place on that stage of the Bill, or on that Vote.

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